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Title: Lockheed Martin Naval Electronics & Surveillance Systems (Surface and Radar), KAPL, Inc. and International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers (IUE-CWA) (AFL-CIO) Locals 106, 301AE, and 320 (2002)

K#: 4412

Employer Name: Lockheed Martin Naval Electronics & Surveillance Systems (Surface and Radar), KAPL, Inc.

Location: NY NJ IN

Union: International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers (IUE-CWA) (AFL-CIO)

Local: 106, 301AE, 320

SIC: 3812

NAICS: 334511

Sector: P

Number of Workers: 1350

Effective Date: 07/01/02

Expiration Date: 07/30/06

Number of Pages: 158

Other Years Available: Y

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2002 - 2006

National Agreement

between

**Lockheed Martin Naval Electronics & Surveillance
Systems - Surface Systems**

**Lockheed Martin Naval Electronics & Surveillance
Systems - Radar Systems**

KAPL, Inc.

and the

**International Union of Electronic,
Electrical, Salaried, Machine
and Furniture Workers IUE - CWA (AFL-CIO)**

and its

Affiliated Lockheed Martin - IUE - CWA (AFL-CIO) Locals

July 1, 2002 - July 30, 06

150 pages

THIS BOOK CONTAINS

2002 - 2006

LM NE&SS-SS, LM NE&SS-RS, KAPL, Inc. - IUE -
CWA (AFL - CIO)
National Agreement

AND

2002 - 2006 Wage Agreement

2002 - 2006

**LM NE&SS-SS, LM NE&SS-RS, KAPL, Inc. ~ IUE -
CWA (AFL-CIO)**

National Agreement

The 2002 Amendments to the
Agreement are shown in bold type

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PREAMBLE

This Agreement (referred to as the 2002 - 2006 **LM NE&SS-SS, LM NE&SS-RS, KAPL, INC. - IUE - CWA (AFL-CIO) NATIONAL AGREEMENT**) is entered into as of the 1st day of July 2002, by and between **Lockheed Martin Naval Electronics & Surveillance Systems – Moorestown, NJ, Lockheed Martin Naval Electronics & Surveillance Systems - Radar Systems – Syracuse, NY, KAPL, Inc. – Schenectady, NY** (hereinafter referred to as the “Company”) and the **International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers – IUE - CWA (AFL-CIO)** (hereinafter referred to as the “Union”), acting for itself and on behalf of each of the below-listed **IUE - CWA (AFL-CIO) Locals** currently certified as collective bargaining representatives of Company employees and such other **IUE - CWA (AFL-CIO) Locals** as may hereafter be certified as collective bargaining representatives of Company employees (each referred to individually as the “Local”).

The Locals which are initially parties to this National Agreement and the bargaining units represented by such Locals and the Union are listed below:

LOCAL NO.	LOCATION	CLASSIFICATION
106	Moorestown, N.J.	P & M
301AE	Schenectady, N.Y. (KAPL, Inc.)	P & M
320	Syracuse, N.Y.	P & M

ARTICLE I

Union Recognition

- 1. The Company agrees to recognize the Union on behalf of and in conjunction with its Locals for those bargaining units of Company employees for which the Union or any of its Locals, through National Labor Relations Board certifications, is designated as the exclusive collective bargaining representative of employees within such units for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment.
- 2. Where the Union or any of its Locals through National Labor Relations Board certifications shall have been lawfully designated as the exclusive collective bargaining representative for any additional bargaining units of Company employees, such certified representative shall be recognized as provided above and become a party hereto, and the terms of this National Agreement shall thereupon be applicable to the employees within such unit.

ARTICLE II

1. Union Security

(a) Subject to applicable law, all employees who, as of the date of this Agreement are members of the Union in accordance with the constitution and by-laws of the Union or who become members of the Union following the effective date of this Agreement, shall, as a condition of employment, remain members of the Union insofar as the payment of an amount equal to the periodic dues and initiation fees, uniformly required, is concerned.

(b) Subject to applicable law, all present employees who are not members of the Union and all individuals hired after the effective date of this agreement, shall, beginning on the thirtieth (30th) day following the effective date of this agreement or the thirtieth (30th) day following employment, whichever is later, as a condition of employment, become and remain members of the Union insofar as the payment of an amount equal to periodic dues and initiation fees, uniformly required, is concerned.

(c) For the purposes of this Article II, the phrase "members of the Union" shall only require the payment of an amount equal to periodic dues and initiation fees, uniformly required.

2. Union Dues

1. (a) The Company, for each of its employees included within the bargaining units recognized by the Company pursuant to Article I hereof, who individually, in writing, duly authorizes the employee's Company Paymaster to do so, will deduct from the earnings payable to such employee on the second pay day of each month, the monthly dues (including initiation fee, if any) for such employee's membership in the Local, and shall remit promptly to the Local all such deductions. Local unions and local management are authorized to negotiate variations from this checkoff procedure with respect to the frequency of dues deductions (including weekly dues deductions) and to modify checkoff authorization forms in accordance with any such local agreements.

(b) Subject to applicable law, individual authorizations executed after the effective date of this Agreement shall be signed cards in the form agreed to by the Company and the Union.

ARTICLE III

Working Conditions

- 1. The Company will continue to provide systematic safety inspections, safety devices, guards, and medical service to minimize accidents and health hazards on its premises.

ARTICLE IV

Discrimination and Coercion

■ 1. Neither the Company nor any of its Foremen, Superintendents, or other agents or representatives, shall discriminate against any employee because such employee is a member, Steward, Officer, or other agent or representative of the Union or of any Local.

■ 2. Neither the Union nor any Local, nor any Steward, Officer, or other agent or representative of either, shall intimidate or coerce any employee, nor solicit members or funds in the plant during working hours.

■ 3. (a) The Company, the Union and its IUE - CWA Locals shall not discriminate against any employee on account of race, color, sex, creed, marital status, age or national origin.

(b) The Company, the Union and its IUE - CWA Locals shall not discriminate against any employee because of physical or mental handicap or because the employee is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee is qualified.

ARTICLE V

Working Hours: Straight Time - Overtime

■ 1. (a) *Workweek*

The regular working week for both salaried and hourly rated employees shall be 40-hours per week, 8-hours per day, 5-day week, from Monday to Friday inclusive. The workweek on multiple shifts may be less than 40-hours.

An employee's workday is the twenty-four hour period beginning with the employee's regularly assigned starting time of the employee's workshift, and the employee's day of rest starts at the same time on the day or days the employee is not scheduled to work. The employee's workweek starts with the start of the employee's regularly assigned work period on Monday of that workweek, except on continuous operations. Upon commencing work on Monday at a newly assigned starting time which is earlier than the employee's starting time during the preceding week, the workday immediately preceding such Monday shall end provided the employee has had a 24-hour period of rest prior to the newly assigned starting time.

Variations in hours of work and schedules of hours of the several shifts, including multiple shifts where the workweek starts late Sunday night and where such hours on Sunday are considered as part of the Monday workday, are subjects for local negotiations.

(b) *Continuous Operations*

Special schedules of hours and overtime will apply (1) on jobs which require continuous operation such as powerhouse attendants and on jobs requiring continuous manufacturing processes such as those which, for reasons of protection of equipment and material, must be run on a 24-hour day and a week-by-week basis, or (2) on process oriented jobs which cannot readily be operated on a non-continuous basis. Existing jobs or processes described in (2), but not currently on continuous operations as of July 1, 1973, may be designated as continuous operations by negotiation and agreement between local management and the Local Union. In the case of jobs described in (2), where new operations or processes are developed or established after July 1, 1973, the Local will be given thirty (30) calendar days notice prior to the designation of such jobs as continuous operations.

(c) When a change is made in the hours of work or working schedules of substantially all employees of a plant or a department thereof, local management will notify the employees and the Locals respectively affected at least one week in advance of the effective date of such change. When a change is made in the hours of work or working schedules of various individuals or smaller groups of employees, the Supervisor will give the affected employees and their Union Steward as much notice as possible.

Any grievance resulting from the establishment of a new working schedule will be handled through the regular grievance procedure.

■ **2. Overtime - Regular Workweek**

The Company will pay an hourly rated or salaried employee on a nonexempt job for overtime as follows:

(a) At the rate of time and one-half for hours worked either

(1) In excess of 8 hours in any single workday; or

(2) In excess of 40 hours in any given workweek; or

(3) In excess of 8 hours in any continuous 24 hours beginning at the starting time of the employee's shift; or

(4) After working the employee's regular schedule, if on multiple shifts of less than 8 hours each; or

(5) On the employee's Saturday.

(b) At the rate of double time for hours worked either

(1) On the employee's Sunday; or

(2) On the employee's "observed" holiday; or

(3) In excess of 12 hours in the employee's workday; provided that an employee who shall have worked in excess of 12 hours in any single workday, and who shall be required to continue at work beyond that workday, shall continue to be paid at the double time rate for hours worked until he shall have been relieved from work; or

(4) Outside the employee's regularly scheduled shift on a calendar Sunday or calendar observed holiday.

(c) At the rate of double time and one-half for hours worked either

(1) On the employee's holidays listed in Article VII as paid holidays; or

(2) Outside the employee's regularly scheduled shift on any of the calendar holidays listed in Article VII as paid holidays; or

(3) For salaried employees only, for hours worked on an observed holiday or outside the employee's regularly scheduled shift on any calendar observed holiday.

(d) An employee who is transferred from the employee's regular established shift to another and who is thereafter returned to the employee's original shift during the same week, or during the immediately succeeding week, shall be paid at the rate of time and one-half for the first 8 hours worked following the first such transfer, except where either or both such transfers (i) results from the failure of another employee or employees to report for work; or (ii) is made in connection with a lack of work situation; or (iii) is made at the employee's request; or (iv) results from an emergency breakdown of equipment or machinery; or (v) is made in connection with an established program of shift rotation.

■ 3. *Continuous Operations*

(a) *Workday - Workweek*

(1) When any employee on continuous operations has a scheduled workweek of 5 days at work and 2 days off, the employee's first scheduled day off shall be considered as the 6th day of the employee's workweek, and the employee's second scheduled day off whether or not successive, as the 7th day of the employee's workweek. When such working schedule contains a regularly recurring workweek of 6 days at work and one day off, such scheduled day off shall be considered as the 7th day of his workweek and the day immediately preceding as the 6th day of his workweek.

■ 4. *Overtime - Continuous Operations*

The Company will pay an hourly rated or salaried employee on a nonexempt job for overtime as follows:

(a) At the rate of time and one-half for hours worked either

(1) In excess of 8 hours in any single workday; or

(2) In excess of 40 hours in any given workweek; or

(3) In excess of 8 hours in any continuous 24 hours beginning at the starting time of the employee's shift; or

(4) On the employee's Saturdays or Sundays if either day is not the employee's 7th day of the employee's workweek;

(5) On employee's 7th day of the employee's workweek if such day is neither the employee's Saturday, Sunday or observed holiday; or

(6) On the employee's Saturdays and Sundays (as a minimum if employee is on a special schedule other than that outlined in 3(a)(1) above).

(b) At the rate of double time for hours worked either

(1) On the employee's 7th day of the employee's workweek, if such day is the employee's Saturday, Sunday or observed holiday; or

(2) On the employee's 6th day of the workweek if falling on an observed holiday; or

(3) In excess of 12 hours in the employee's workday; provided that an employee who shall have worked in excess of 12 hours in any single workday, and who shall be required to continue at work beyond that workday, shall continue to be paid at the double time rate for hours worked until the employee shall have been relieved from work.

(c) At the rate of double time and one-half for hours worked on the holidays listed in Article VII as paid holidays.

■ 5. *General*

(a) Listed holidays referred to above shall mean those holidays listed in Article VII of this Agreement.

(b) Each Local shall be furnished a list of the observed holidays referred to above.

(c) Computation of overtime shall be in accordance with the day as defined in 1(a) above and shall be allowed under only one of these overtime provisions for any given hours.

(d) All salaried employees if absent for personal reasons other than vacation shall be paid in accordance with the established plan.

(e) In cases where the Company instructs employees to report ahead of schedule and/or remain after the regular schedule to change clothes, etc., employees involved will be paid for such additional time.

■ 6. *Night Shift Differential*

Hourly rated and salaried employees who have no record of prior company service who are assigned to recognized second and third shift operations shall have sixty cents (\$.60) added to their regular hourly rate for all work performed on such shifts until they have accumulated three (3) years of continuous service after which they will receive the 10% night shift differential. **Prior company service will be included when determining eligibility for the 10% Night Shift Differential rate.** Recognized second and third shifts shall in all cases be those beginning between 12 noon and 3:30 a.m. In exceptional cases the starting time for a recognized second shift may be earlier by mutual agreement between the Local and local management.

■ 7. *Other Special Payments*

(a) *Early Reporting and Call-In*

(1) Employees who are called in outside of their regular schedule of hours will be paid at the applicable premium rate, but not less than the equivalent of four hours pay at their straight-time rate.

(2) Day shift employees who are called back after the end of their regular day shift (or told to report prior to their regular starting time) will be paid at the rate of time and one-half for hours worked outside their regular schedule, up to midnight and at the rate of double time for hours worked after midnight and up to the beginning of the regular day shift.

(3) Employees on the second and third shifts who are called back after the end of their regular shift (or told to report prior to their regular starting time) will be paid at the rate of time and one-half for hours worked up to the beginning of their regular shift.

(4) Subsections (1), (2) and (3) above are not applicable where an employee continues to work into the next shift following his normal quitting time.

(b) *Report-in Time*

Employees who report for work in accordance with their regular schedules, and, without previous notice thereof, neither their regularly assigned nor any reasonably comparable work is available, will receive not less than four hours pay at the rate applicable had they worked. This Subsection (b) shall not be applicable where the inability of the Company to supply work is the result of fire, snowstorm,

flood, power failure or work stoppage by employees in the same Company location.

(c) Dispensary Time

Employees will be paid at their applicable rate for time spent in attending the Company dispensary for examination or treatment of any injuries arising out of and in the course of their employment, whenever such time would otherwise have been spent by the injured employee on the work assigned to him. Employees who are directed not to return to work as a result of their injury shall be paid at their straight-time rate to the end of their scheduled work shift.

■ 8. *Division of Overtime*

Overtime shall be divided as equally as proficient operations permit among the employees who are performing similar work in the group. A record of overtime worked by employees (or credited to them) will be maintained by the Supervisor for the Supervisor's group and will be available for examination by the appropriate Union Steward upon request.

■ 9. *Work Schedule Flexibility*

(a) The local management and the local union may negotiate modifications to the regular workweek, regular work day and work shifts. These agreements, to be effective, must be set forth in writing and signed by local management and the local union.

(b) Management and the local union, in conjunction with agreements negotiated under § 9 (a), may negotiate overtime provisions that provide that the overtime premium payment be paid only for hours worked over forty (40) in a week.

ARTICLE VI

Wage Rates

- 1. Any question which affects hourly rates or salary rates of individuals or groups shall be subject to negotiation between the Local and the local management.
- 2. The Company shall furnish the respective Locals concerned with information concerning all hourly and salaried job classifications, definitions, rates, progression schedules, and changes therein, for all jobs included within the bargaining units respectively represented by such Locals. It is understood that the job classifications and definitions referred to above are merely for purposes of identification and general description and do not purport to be all-inclusive or exhaustive of the actual requirements of any job so classified or defined. In addition, upon request of any Local, the Company will furnish to such Local a copy of the currently applicable wage structure for the plant or location.
- 3. When an employee is hired or transferred through the Company Human Resources Department, the employee will be given a card showing the employee's job classification, starting rate, rate of progression or progression schedule and job rate, if any, applicable to the job for which the employee is hired or to which transferred.
- 4. *Step Rates and Progression Schedules*

■ The Union and the Locals recognize that starting rates, progression rates, and job rates for hourly rated and salaried employees will vary, depending on the job, its location, and its surrounding circumstances.

The following provisions of this Section 4 are applicable to all hourly rated and salaried employees except draftsmen, apprentices and other trainees participating in an entry-type training program; provided that hourly rated employees who are hired after July 1, 1985 on any job with a job rate at or below the top of the one month progression schedule, will not begin progression toward job rates until they have accumulated six (6) months of service credits with the Company. This proviso shall not apply to subsequent upgrades to jobs above the top of the one-month progression schedule. Also, provided that hourly rated and salaried employees hired after June 26, 1988 who have no record of prior Company service, shall be placed on starting rates and progression schedules in accordance with the provisions contained in Section 6 of this Article.

(a) Hourly Rated Employees on Daywork

(1) All starting, progression and job rates for hourly rated employees will be on steps in accordance with the applicable local wage structure.

(2) The minimum starting rates for all hourly rated jobs will be as follows:

(a) On jobs with a job rate which is not more than two (2) steps below the top of the one-month progression schedule:

Four (4) steps below job rate; provided that this minimum-starting rate shall be six (6) steps below job rate for

employees who are hired after July 1, 1985 on any job with a job rate at or below the top of the one-month progression schedule. This proviso shall not apply to subsequent upgradings to jobs above the top of the one-month progression schedule or after the employees have completed their initial progression to job rate.

(b) On jobs with a job rate which is not more than five (5) steps, nor less than three (3) steps below the top of the one-month progression schedule:

Three (3) steps below job rate; provided that this minimum starting rate shall be five (5) steps below job rate for employees who are hired after July 1, 1985 on any job with a job rate at or below the top of the one month-progression schedule. This proviso shall not apply to subsequent upgradings to jobs above the top of the one-month progression schedule or after the employees have completed their initial progression to job rate.

(c) On jobs with a job rate which is more than five (5) steps below the top of the one-month progression schedule:

Two (2) steps below job rate; provided that this minimum starting rate shall be four (4) steps below job rate for employees who are hired after July 1, 1985 on any job with a job rate at or below the top of the one month progression schedule. This proviso shall not apply to subsequent upgradings to jobs above the top of the one-month progression schedule or after the employees have completed their initial progression to job rate.

(3) Applicants fully experienced on jobs of the kind for which hired will begin at a rate not less than two steps below the job rate and will be increased to the job rate in accordance with the applicable progression schedule set forth in paragraph 4 below, except that when the applicant is hired for a job to which the six month progression schedule is applicable, the job rate must be paid at the end of six months.

(4) Each hourly rated employee will progress on steps from the employee's starting rate to the job rate of the employee's job in accordance with the following progression schedules:

(a) ONE MONTH
PROGRESSION SCHEDULE

Step rates up to, and including, the top of the One Month Progression Schedule in effect at each local plant on October 26, 1969:

One (1) step at the end of each one-month period.

(b) THREE MONTH
PROGRESSION SCHEDULE

Step rates from one to three steps (inclusive) above the top of the One Month Progression Schedule:

One (1) step at the end of each three-month period.

(c) SIX MONTH
PROGRESSION SCHEDULE

Step rates more than three steps above the top of the One Month Progression Schedule:

One (1) step at the end of each six-month period.

(5) The above progression schedules are mandatory for employees on the job.

(b) Salaried Employees

(1) All starting, progression and job rates for salaried employees will be on steps in accordance with the applicable local salaried structure.

(2) The minimum starting rates for all salaried jobs will be as follows:

(a) On jobs with a job rate of Grade No. 8 or higher:

Four (4) steps below job rate.

(b) On jobs with a job rate of Grade Nos. 4 through 7:

Three (3) steps below job rate.

(c) On jobs with a job rate of Grade No. 3 or lower:

Two (2) steps below job rate.

(3) Each salaried employee will progress on steps, from the starting rate to the job rate established for that employee's particular job, or to the top of the progression schedule (the Grade No. 11 rate), whichever is less as follows:

**(a) THREE MONTH
PROGRESSION SCHEDULE**

Step rates up to and including Grade No. 6

One (1) step at the end of each three-month period.

**(b) SIX MONTH
PROGRESSION SCHEDULE**

Step rates from Grade No. 6 up to and including
Grade No. 11:

One (1) step at the end of each six-month period.

(4) The above progression schedules are mandatory for
employees on the job.

(5) Any further increase in rate for any salaried
employee above the top of the progression schedule, up to the
job rate for the employee's job will also be on steps but shall
be based solely on the employee's performance on the job. In
addition, each such employee will be reviewed at least once
each year.

(6) Applicants fully experienced on jobs of the kind for
which hired will begin at a rate not less than two-steps below
the job rate and will be increased to the job rate within six
months for normal performance.

(7) Subject to the foregoing provisions of this Section
4(b), the job rate shall be paid for normal performance.

(c) Group Leaders and Instructors

(1) Group leaders of dayworker groups shall be paid two steps above the highest job rate in the group. If individuals in any group have a preferential rate above the job rate, the leader may be assigned a rate up to two steps above such preferential rate if negotiated locally.

(2) Rates of instructors and group leaders other than the above shall be negotiated locally.

■ 5. Notice to Locals of Wage Increases for Hourly Rated and Salaried Employees.

Whenever a Local's request for a wage increase for an employee within its bargaining unit is denied, the Local shall be advised in advance if the increase is subsequently granted by the Company within six months after such request.

■ 6. Starting Rates and Progression Rates and Schedules for Employees Hired After June 26, 1988.

(a) This Section will apply to hourly employees hired for jobs with a job rate within the one-month progression schedule who have no record of prior Company service and salaried employees hired for jobs with a job rate within the three month progression schedule who have no record of prior Company service. Employees hired after June 26, 1988 may be hired at a minimum of 70% of job rate. Employees hired after August 5, 1991, who have no record of prior Company service, may be hired at a minimum of 70% of job rate.

Employees hired after July 1, 2002 who have no record of prior Company Service, may be hired at a minimum of 80% of job rate. Employees will progress in six (6) month steps to job rate in accordance with the following table:

<i>Hiring Rate as Percent of Job Rate</i>	<i>Number of Progression Steps</i>
95	1
90	2
85	3
80	4

(b) Employees on the above progression schedule who are transferred to higher rated jobs within the one month progression schedule (hourly) or the three month progression schedule (salaried) will have their paid rates adjusted to the same percentage of the new job rate. Time accumulated toward the next progression step will be carried forward and progression timing to the next step will not be affected by such transfer. Employees on the above progression schedule who are transferred to higher rated jobs outside the one-month progression schedule (hourly) or the three month progression schedule (salaried) will have their paid rates adjusted according to the other provisions of this Article and Article X.

(c) Employees on the above progression schedule who are transferred to a lower rated job will have their progression rates adjusted to the same percentage of the new job rate. They will progress to the next higher percentage progression step based on the time accumulated since their last step.

(d) Employees hired under the provisions of this paragraph will progress to the job rate of their assigned job in accordance with the schedules contained herein; the other provisions of this Article and Article X, Transfers, notwithstanding. After completing the initial progression schedule and reaching job rate of the assigned job the other provisions of this Article and Article X will be applicable to subsequent transfers.

ARTICLE VII

Holidays

■ 1. *Listed Holidays*

New Year's Day	Labor Day
Dr. Martin Luther King, Jr. Day (Effective 1998)	
Thanksgiving Day	Memorial Day
The day before Christmas Day	Independence Day
Christmas Day	Election Day

George Washington's Birthday (in any bargaining unit where the local union (a) chose an eighth paid holiday under the holiday-vacation option in 1960 or 1963 or (b) notified local management in writing prior to September 30, 1968, of its election of an eighth paid holiday under the 1966 holiday option.)

An additional listed holiday (negotiated in 1966) to be designated by each location. (This holiday will be mutually selected by the local union and local management prior to December 31 of the year preceding the year in which the holiday will occur. In the absence of mutual agreement by such December 31, the holiday will be designated by local management.)

■ 2. *Hourly Rated Employees*

(a) An hourly rated employee not on continuous operations will be paid, for each of the above listed holidays not worked, up to eight hours at his average straight-time hourly rate as taken from the last periodic statistics available at the time the employee's holiday occurs (current rate for

dayworkers), for a number of hours equal to the employee's regular daily working schedule during such week, providing each of the following conditions are met:

(1) Such employee has been employed at least 30 days prior to any such holiday.

(2) Such employee works the employee's last scheduled workday prior to and the employee's next scheduled workday after such holiday within the employee's scheduled workweeks. This condition shall not prevent payment of holiday pay to:

(i) An employee who has been absent from work because of verified personal illness for not more than three months prior to the week in which the holiday occurs and who works or reports for the Company's physical examination the next scheduled workday following the holiday; or

(ii) An employee who has been continuously absent from work for not more than two weeks prior to the week in which the holiday occurs and who is not at work either or both such workdays due to approved absences for personal illness or emergency illness at home, personal business, death in his family, layoff or union activity; or

(iii) An employee who is not at work on either or both such workdays solely due to military encampment or jury duty; or

(iv) An employee who is absent from work on either the last scheduled workday prior to double consecutive holidays (when such double consecutive holidays have been

arranged under the provisions of Section 4 thereof) or the employee's next scheduled workday after such double consecutive holidays (in such case, the employee will be entitled to holiday pay only for the first of such double consecutive holidays if the employee works the last scheduled workday prior to that holiday, but not the next scheduled workday after the second holiday; and the employee will be entitled to holiday pay only for the second of such double consecutive holidays if the employee fails to work the last scheduled workday prior to the first of such double consecutive holidays but works the next scheduled workday after the second of such double consecutive holidays).

(b) Hourly rated employees on continuous operations will be paid for the above-listed holidays under the above conditions if the holiday falls within their scheduled workweek and they are not scheduled to work on the holiday. If such employee fails to work as scheduled, the employee will not be paid for the holiday. If, however, such failure to work on the holiday is due to verified personal illness, death in family, jury duty, or emergency illness at home, the employee will be paid for the holiday if the employee is otherwise eligible in accordance with all the provisions of Section 2 (a) above.

(c) Hourly rated employees who are receiving the night shift differential pursuant to Article V, 6 shall have the same added to any holiday pay received by them under this article.

(d) In order to accommodate different work schedules that may involve regular work days less than or greater than eight (8) hours, the maximum.

Holiday eligibility **through and including December 31, 2002** for the sites represented in this agreement are expressed as follows:

	Total Annual Number of Holidays	Total Annual Hours of Holidays
NE&SS-SS	11 days	88 hours
NE&SS-RS	10 days	80 hours
KAPL, Inc.	11 days	88 hours

Holiday eligibility **from January 1, 2003 through termination of this agreement** for the sites represented in this agreement are expressed as follows:

	Total Annual Number of Holidays	Total Annual Hours of Holidays
NE&SS-SS	12 days	96 hours
NE&SS-RS	11 days	88 hours
KAPL, Inc.	12 days	96 hours

(e) Scheduling of holiday time that is not included within the listed or otherwise determined holiday schedule will be subject to manager's approval. Such approval will not be unreasonably withheld.

■ 3. Any of the above-listed holidays falling on Sunday shall be treated for all purposes under this Agreement as falling on the following Monday and shall for such purposes be observed on that Monday only. In like manner, any of the above-listed holidays falling on Saturday shall be treated for all purposes under this Agreement (including the purposes of Section 2(c) of Article V) as falling on the preceding Friday and shall for such purposes be observed on that Friday only. However, local plant management and a local union may, by local agreement in writing, substitute a day other than the preceding Friday for any such holiday which falls on Saturday.

For an employee on continuous operations, when a holiday falls on the employee's scheduled day off, the employee's next non-premium scheduled workday shall be deemed to be the employee's holiday. In no event will an employee receive the holiday pay or premium more than once for a holiday.

■ 4. Local management and the local union at each plant may agree in writing to substitute a different holiday in place of any of the above-listed holidays for all purposes.

ARTICLE VIII

Continuity of Service - Service Credits

■ 1. *Definition of Terms*

(a) "Continuity of service" designates the status of an employee who has service credits totaling 52 or more weeks.

(b) "Continuous service" designates the length of each employee's continuity of service and shall equal the total service credits of an employee who has "continuity of service."

(c) "Service credits" are credits for periods during which the employee is actually at work for the Company or for periods of absence for which credit is granted. (As provided in Section 3.)

(d) "Absence" is the period an employee is absent from work either with or without pay (except a paid vacation period), computed by subtracting the date following the last day worked from the date the employee returns to work. Each separate continuous period away from work shall be treated as a single absence from work.

(e) "Illness" shall include pregnancy, whenever the Supervisor or other immediate supervisor is notified prior to absence from work.

■ 2. *Loss of Service Credits and Continuity of Service*

(a) Service credits previously accumulated and continuity of service, if any, will be lost whenever the employee:

(1) Quits, dies, resigns, retires or is discharged.

(2) Is absent from work for more than two consecutive weeks without satisfactory explanation.

(3) Is absent from work because of personal illness or accident and fails to keep the Company notified monthly, stating the probable date of the employee's return to work.

(4) Is notified within a year from date of layoff that the individual may return but fails to return or to give satisfactory explanation within two weeks.

(5) Is absent from work without satisfactory explanation beyond the period of any leave of absence granted to the individual by the Company.

(6) Is absent from work for a continuous period of more than one year for any reason, other than (a) a leave of absence granted in advance, or (b) an absence due to a compensable accident (up to 18 months) or compensable illness (up to 18 months).

(b) Individuals who at the time of layoff had one (1) year of continuous service shall, despite loss of service as a result of such layoff, be retained on the recall list and be eligible for reemployment in accordance with the applicable local procedure for a period of sixty (60) months following layoff or until retirement, whichever occurs first. Similarly, in the case of individuals with the required service absent due to illness or injury, the same extended recall arrangement will be made only if:

(1) The individual reports promptly to the Human Resources Department for employment upon recovery.

(2) The individual is otherwise eligible in which case the individual will promptly thereafter have their name added to the recall list.

Actual recall will be predicated upon the individual meeting the Company health requirements.

(c) If the Company reemploys an employee who has lost service credits and continuity of service because of layoff due to lack of work for more than one year, because of absence due to illness or injury for more than one year, or because of termination for transfer to a successor employer, such employee shall have such service credits and continuity of service automatically restored if the individual's continuous service at the time of the individual's layoff, termination for transfer to a successor employer, or first day of illness was greater than the total length of such absence or if the employee has recall rights under Section 2(b) of this Article.

(d) The service record of each employee laid off and reemployed after layoff or reemployed following illness or injury, will be reviewed by the Company at the time of his reemployment and in each case, such employee will be notified as to their service credits and continuity of service, if any.

(e) If the Company reemploys, on or after June 27, 1988, a former employee who had continuity of service at the time of a previous termination of Company employment (and the employee is not eligible for automatic service restoration under Section 2(c)), the Company shall restore such continuity of service after the employee has completed one year of continuous service following reemployment.

(f) For employees reemployed prior to June 27, 1988 who do not have restoration rights under prior National Agreements, the Company shall restore the employee's prior unrestored continuity of service when such employee has three years of continuous service (effective January 1, 1990), provided, however, that if the employee is absent on the date the restoration would otherwise occur, such service restoration will occur when the employee returns to work with continuity of service.

(g) Service restoration provided for in this Section 2 will be contingent upon the employee's full repayment of Income Extension Aid benefits, special termination payments or Severance Pay provided under Article XXII within a reasonable time after rehire, if such benefits were paid under the Voluntary Special Layoff Bonus or the 60-day lump sum termination option or as a result of a lump sum due to 1) a plant closing termination which occurred within six months prior to the date of reemployment, 2) a transfer of work, 3) the discontinuance of a discrete, unreplaced product line, or 4) the introduction of a robot or an automated manufacturing or office machine.

■ 3. *Service Credits*

Service credits for each employee shall be granted for periods during which the employee is actually at work for the Company, and service credits for absences shall be added to an employee's service, after reemployment with continuity of service or with prior service credits, as follows:

(a) Employees when reemployed with prior service credits or continuity of service following absence due to illness,

accident, layoff, leave of absence granted by the Company, because of termination for transfer to a successor employer, or due to plant closing, will receive service credits for up to a total of the first twelve months of such absence. Where the absence of an employee, with continuity of service, is due to a compensable accident or compensable illness, and the employee is reemployed without loss of continuity of service, service credits will be granted for the period of the employee's absence in excess of twelve months up to a maximum of six additional months.

(b) For all other absences of two weeks or less, such employees will receive service credits, but, if the absence is longer than two weeks, no service credits will be allowed for any part of such absence.

If an employee who has lost prior service credits or continuity of service is reemployed, the employee shall be considered a new employee and will not receive service credits (unless all or part of prior service credits are restored) for any time prior to the date of such reemployment.

■ 4. Application

An employee's continuity of service date is controlling for those benefit plans that so designate it as the controlling date.

An employee's continuity of service date would not be applicable where an employee's Pension Qualification Service Date (PQS) or Pension Benefit Service Date (PBS) is controlling.

ARTICLE IX

Vacations

■ 1. *Paid Vacation Periods*

Vacations with pay will be granted in each calendar year (hereinafter called the "vacation year") to eligible hourly rated and nonexempt salaried employees as follows:

(a)	<i>Years of Continuous Service</i>	<i>Vacation</i>
	1	2 weeks (80 hours)
	5	2 1/2 weeks (100 hours)
	7	3 weeks (120 hours)
	15	4 weeks (160 hours)

(b) Employees on active status or protected service status who are eligible for a 5th or 6th week (200 or 240 hours) of vacation will retain that eligibility.

(c) Employees on active status or protected service status who achieve 20 years of continuity of service by December 31, 1994 will become eligible for five (5) weeks of vacation.

(d) Employees on active status or protected service status who achieve 30 years of continuity of service by December 31, 1994 will become eligible for six (6) weeks of vacation.

■ 2. *Eligibility Requirements*

An employee whose continuity of service is unbroken as of December 31 or his last scheduled workday in the last week of the year immediately preceding the vacation year shall qualify for a vacation or vacation allowance under the provisions of this Article if the employee:

(a) Actually performs work as an active employee of the Company during the last full calendar week of the year immediately preceding the vacation year; or

(b) Receives earnings from the Company directly applicable to all or part of such week.

If an employee has not qualified under (a) and (b) above, but returns to work without loss of continuity of service during the vacation year, the employee will become entitled to a vacation or vacation allowance in the vacation year after the employee shall have worked in the vacation year for **15 working days** or for a period equal to that of the employee's absence if the absence was less than **15 working days**. Any such employee reemployed too late to work for **15 working days** in the vacation year will be paid the employee's vacation allowance and may have a portion of the time out considered as the vacation to which the employee is otherwise eligible.

■ 3. *Determination of Paid Vacations*

(a) *Basic or Guaranteed Vacations*

The basic vacation period of an eligible employee shall be based upon the employee's length of continuous service as of December 31 of the year immediately preceding the vacation year.

(b) Additional (or Initial) Vacation

An eligible employee whose continuing accumulation of service credits during a vacation year entitles the employee to an additional vacation under the provisions of Section 1 (or who completes their first year of continuous service during the vacation year) will receive such additional vacation (or their initial vacation), provided that an employee shall not be entitled to any such vacation in a vacation year unless they shall actually perform work as an active employee of the Company during such vacation year after having qualified for such vacation. EXCEPTION: Where a plant shutdown is scheduled for the last week of the year employees who would have qualified for vacation payment during this shutdown will receive such payment if they return to work (or report for physical examination and are approved for employment) the first scheduled workday following the shutdown or were at work the last scheduled workday immediately preceding the shutdown.

■ 4. *Termination of Employment*

An employee who quits, is discharged, dies or retires will promptly thereafter receive the full vacation allowance to which the employee may then be entitled. In the case of employees who died, vacation allowances will be treated as wages owing the employee, and payment made accordingly.

■ 5. *Use of Vacation Time for Absences of Employees*

(a) Leave of Absence

An employee who is granted a leave of absence may have the first portion of such leave designated as the period of any

vacation to which the employee may then be entitled, if the Manager shall approve.

(b) Extended Illness, Accident or Layoff

An employee who is absent because of illness or accident, or because they are laid off for lack of work, may (except in a plant or part thereof which is scheduled for an annual shutdown) have the first portion of such absence designated as the period of any vacation to which they may then be entitled, if the Manager shall approve.

(c) Incidental Absences

An employee whose absence is excused because of personal illness, personal business, holidays that are unpaid, temporary lack of work, or short workweeks of one (1) hour or longer may (with the Manager's approval) utilize extra vacation time to which they are entitled in excess of the scheduled Shutdown or in excess of two weeks in locations where there is no shutdown for such absences in the form of vacation days. This time may be paid out in increments of no less than one (1) hour.

(d) Other Absences

An employee who is absent from work for any reason other than those reasons listed above will not be entitled either to have their vacation scheduled or to receive a vacation allowance during the period of such absence.

(e) Vacation Payment Guarantee

An employee whose absence from work continues beyond the end of a vacation year and who did not receive in such

vacation year the full vacation pay for which the employee had qualified, shall receive at the end of such absence or upon prior termination of service, a vacation allowance in lieu of any vacation to which they were still entitled at the end of the vacation year.

■ 6. *Computation of Vacation Pay*

(a) *Basic Formulas*

Vacation pay for each week of vacation to which an employee is entitled will be computed by multiplying the appropriate weekly hour-multiplier as determined by Subsection (b) below, by the appropriate rate-multiplier as determined by Subsection (c) below. (Vacation pay for any extra day or half day of vacation to which an employee may be entitled will be determined by (i) dividing by five or ten respectively the weekly hour-multiplier determined for the employee under Subsection (b) below and (ii) multiplying such daily equivalent by the appropriate rate-multiplier determined by Subsection (c) below.)

(b) *Determination of Weekly Hour-Multiplier*

The weekly hour-multiplier for vacation pay computations for all employees will be 40 hours except as noted in the following paragraphs of this Subsection (b).

(i) *Short Schedules*

The weekly hour-multiplier of an employee whose regular weekly schedule at the time the employee's vacation begins is less than 40 hours will be the greater of either (A) the employee's scheduled hours per week at the time the

vacation begins, or (B) the employee's scheduled hours per week during the last full week, in the calendar year worked by the employee during the year preceding the vacation year, but in any event will not be greater than 40 hours.

(ii) *Multiple-Shift Short Schedule*

Notwithstanding the provisions of (i) above, the weekly hour-multiplier for an employee who is on a multiple shift operation and whose regular weekly schedule of hours is not less than 37-1/2 hours shall be not less than 40 hours.

(iii) *Extended Schedules*

The weekly hour-multiplier of an employee who shall have worked an average of more than 40 hours per week during the weeks paid in the calendar year which immediately precedes the vacation year will be determined in accordance with the following schedules:

• **July, 2002 through December, 2003**

<i>Average Weekly Hours</i>		<i>Weekly Hour-Multiplier</i>
40	but less than 42	40
42	but less than 42.5	42
42.5	but less than 43.5	43
43.5	but less than 44.5	44
44.5	but less than 45.5	45
45.5	but less than 46.5	46
46.5	but less than 47.5	47
47.5	and higher	48(maximum)

January, 2004 through December, 2005

<i>Average Weekly Hours</i>		<i>Weekly Hour-Multiplier</i>
40	but less than 42	40
42	but less than 42.5	42
42.5	but less than 43.5	43
43.5	and higher	44 (maximum)

- **Vacation time taken between January 1, 2006 and the end of the contract is payable at the appropriate hourly rate, plus applicable night shift bonus and applicable hourly multiplier up to the 44 hour weekly maximum based upon hours worked in the preceding calendar year, 2005.**
- **Use of the weekly, hourly multiplier will be discontinued for vacation rate determination purposes effective January 1, 2006.**

NOTE: For the purposes of the foregoing schedule, average weekly hours will be computed by dividing the total number of hours actually worked by the employee during the weeks paid in said year by the number of weeks in such year, except that the following listed types of time lost from work will be counted as time worked:

- (A) Time spent on union activity;
- (B) A listed or observed holiday;
- (C) Jury duty service;
- (D) Military Service for which service credits are granted under Article XXIII;
- (E) Annual shutdowns and vacation periods;
- (F) Employees' personal absences for which pay is granted;
- (G) Time paid for death-in-family absence;
- (H) Time lost due to a compensable accident or compensable illness.

(iv) Continuous Operation

The weekly hour multiplier of an employee who is, at the time of their vacation, regularly assigned to work on a continuous operation schedule will be the greater of either (a) the number of hours per week the employee would have been paid, up to a maximum of 48 hours, including premium hours for Saturday and/or Sunday, had the employee worked forty (40) hours on the employee's established regular schedule including Saturday and/or Sunday, on the week or weeks scheduled for vacation or (b) the hours provided by the application of Section 6(b)(iii) above.

(c) *Determination of Rate-Multiplier*

The rate-multiplier for various types of employees will be as follows:

Rate-Multiplier
The greater of:

<i>Type of employee</i>	<i>Current Rate (including night-shift bonus for employees who are regularly scheduled on a night shift)</i>	<i>Year End Rate (including night-shift bonus for employees who are regularly scheduled on a night shift)</i>
<i>Hourly employee on daywork</i>	<i>Regular hourly daywork rate in effect at the time the employee's</i>	<i>Regular hourly daywork rate in effect during the last full calendar week vacation begins. worked by the employee during year preceding vacation year.</i>

<i>Salaried employee</i>	Hourly equivalent of employee's actual straight time salary rate in effect at time vacation begins.	Hourly equivalent of employee's actual straight time salary rate for last week worked by the employee during year preceding vacation year.
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(d) Payments for Incidental Absences

The payments described in Section 5(c) will be paid on the same basis as outlined above.

7. *Scheduling of Vacations*

(a) Scheduling

In the event of one or more shutdowns scheduled in any plant within the vacation year, one of such shutdowns will be a Primary Shutdown of no more than two (2) weeks and no less than one (1) week in duration and during such Primary Shutdown, the vacation for eligible employees shall be considered to run concurrently. Exceptions for certain departments or individuals by reason of the requirements of the business shall be at management's discretion. With respect to other scheduled shutdown periods, employees entitled to vacation time in excess of, the designated Primary Shutdown may elect to take the time off without pay as though on temporary layoff for lack of work and take ones remaining vacation time off at some earlier or later date including the week immediately preceding or following the Primary Shutdown period. Vacations taken at times other than during shutdown periods will be scheduled to conform to the requirements of the business at the Manager's discretion. For

any part of a Shutdown period for which an employee is not eligible or does not become eligible for vacation pay during the vacation year, and during which the employee has no work available, one will be deemed to be on temporary layoff for lack of work.

(b) Postponement or Division of Vacation

It will not be permissible to postpone vacations from one year to another, or to omit vacations and draw vacation pay allowances in lieu thereof, except with the written approval of the Manager. No vacation shall be divided unless it is of two weeks or more duration, in which case it may, with the consent of the Manager, be divided.

■ 8. *Time of Vacation Payment*

Except as otherwise provided in this Article, vacation allowances for full weeks shall be paid to an employee on or about the last day worked by the employee prior to the beginning of the vacation scheduled for the employee (except payments under 5(c)). An employee who takes ones vacation prior to the date upon which one becomes eligible, will receive payment (computed in accordance with Section 6 above) after the employee becomes eligible. Additional day or days for which an employee may qualify later in the year may be taken at the time of the regular vacation and payment for such time (computed in accordance with Section 6 above) will be made after the employee has qualified.

■ 9. Holiday in Vacation Period

When the vacation period of any employee includes one of the holidays listed in Article VII, an additional day of vacation will be granted with pay, if the holiday occurs during the scheduled workweek of the employee. When the vacation period of a salaried employee includes an observed holiday, an additional day of vacation will be granted with pay, if the holiday occurs during the scheduled workweek of the employee. In either case, the extra day must be taken immediately before or after as an extension of the vacation.

ARTICLE X

Transfers

■ 1. *Hourly and Salaried Employees*

(a) In the case of employees who are laid off from their regular jobs for lack of work, every effort will be made to transfer them to related jobs having an equal rate or to available openings on jobs having a higher rate.

(b) Employees permanently transferred to lower rated jobs will receive either one week's advance notice of such transfer, or payment for the first week's work after transfer at their rate immediately prior to transfer.

(c) An employee who desires a transfer to another shift may so advise one's Supervisor in writing with a copy to the Human Resources Department. As openings occur in his department on work for which the employee is presently qualified, consideration will be given one's request along with others in accordance with the employee's relative seniority. Such transfers, however, shall not take precedence over the normal upgrading of qualified longer service employees. Exceptions to the above may be made in certain special cases by mutual consent.

This does not supersede any existing local agreement.

■ 2. *Hourly Rated Daywork Employees*

An hourly rated employee on daywork when permanently transferred

(a) To a higher rated daywork job will be transferred at a rate commensurate with the employee's qualifications to perform the job to which transferred, but not less than the rate the employee was paid on the job from which transferred.

(b) To an equal or lower rated daywork job will be transferred at the lower of the daywork rate the employee was paid on the job from which transferred or the job rate of the job to which transferred.

■ 3. Section (2) above notwithstanding, an employee who is transferred to a daywork job that one formerly held on a permanent basis will be transferred at not less than the step rate the employee was paid at the time one held such job.

■ 4. *Salaried Employees*

A salaried employee when permanently transferred

(a) To a higher rated salaried job will be transferred at a rate commensurate with that employee's qualifications to perform the job to which transferred, but not less than the rate that employee was paid on the job from which transferred.

(b) To an equal or lower rated salaried job will be paid the lower of the rate that employee was paid on the job from which transferred or the job rate of the new job.

■ 5. *Minimum Starting Rate*

In any case where the transfer rate as provided above is less than the minimum starting rate of the job to which transferred, the minimum starting rate will be paid.

■ 6. *Progression to Job Rate*

If after transfer, an employee is on a progression schedule and receiving less than the job rate of the job to which transferred, the employee will progress to job rate in accordance with the provisions of Article VI.

ARTICLE XI

Reduction or Increase in Forces

■ 1. Whenever there is a reduction in the working force or employees are laid off from their regular jobs, total length of continuous service, applied on a plant, department, or other basis as negotiated locally, shall be the major factor *determining the employees to be laid off or transferred* (exclusive of upgrading or transfers to higher rated jobs). However, ability will be given consideration.

Similarly, in all cases of rehiring after layoff, total length of continuous service, applied on a plant, department, or other basis as negotiated locally, shall be the major factor covering such rehiring if the employee is able to do the available work in a satisfactory manner after a minimum amount of training.

Where employees have accumulated six months or more of service credits, but have not established continuity of service, such service credits will be considered in the above cases rather than total length of continuous service.

■ 2. Each Local shall negotiate with local management a written agreement covering the layoff and rehiring procedure for the employees represented by the Local.

■ 3. Employees who have been or who may be transferred to jobs outside the bargaining units may be returned to their former classification in the bargaining unit in accordance with their total length of continuous service.

Employees who, after October 3, 1966, are transferred to jobs outside the bargaining units may be returned to their former classification in the bargaining unit in accordance with their total length of continuous service at the time they left the unit plus the number of years outside the unit up to a maximum of five such years outside the unit.

Employees who, after June 30, 1985, are transferred to exempt management jobs outside the bargaining units may be returned to their former classification in the bargaining unit in accordance with their total length of continuous service during the period up to twenty-four (24) months following the first such transfer to a job outside the unit.

Employees who, after June 30, 1991, are transferred to jobs outside the bargaining units may be returned to their former classification in the bargaining unit in accordance with their total length of continuous service during the period up to six (6) months following the first such transfer to a job outside the unit.

Employees who, after June 29, 1998, are transferred to jobs outside the bargaining unit may be returned to their former classification in the bargaining unit in accordance with their total length of continuous service during the period up to three (3) months following the first such transfer to a job outside the unit.

■ 4. An employee who retires at the employee's option as provided in the Company Pension Plan shall cease to have any rights under the provisions of this agreement. (However, this agreement shall continue to be applicable to formerly retired employees who leave retirement and are returned to active employment by the Company.)

■ 5. Employees will be given at least one week's notice and one week's work at the prevailing schedule before layoffs are made due to decreasing forces.

■ 6. An employee with continuity of service out due to illness for a period not exceeding one (1) year who returns to work shall be reemployed on the employee's former job providing one is able to perform the job and normal seniority provisions permit.

ARTICLE XII

Union and Local Representatives and Stewards

■ 1. *Layoff Deferment*

(a) An employee who is an official of any Local, and who has accumulated six months or more of service credits shall, on written request of the Local, be deferred from layoff (except temporary layoffs) so long as work for which the employee is qualified is available and so long as the official's duties would permit such layoff deferment under applicable law. Such employee shall displace an employee with less actual seniority on work for which the employee who is a Local official is qualified or, in the event such employee does not have actual seniority to displace any employee, then the employee shall to the extent necessary to defer the employee from such layoff be deemed to have greater seniority than the shortest service employee in the bargaining unit on work for which the employee who is a Local official is qualified. Such deferral from layoff will continue only so long as the employee retains the employee's position as an official of any Local. This provision shall apply to a minimum of four and a maximum of twelve such officials, dependent on the number of employees within such units as follows:

<i>Employees</i>	<i>Union Officials</i>
500 or less	4
501-2000	6
2001-5000	8
Over 5000	12

(b) An employee who is a Steward of such Local and who has accumulated six months or more of service credits shall, upon written request of the Local, and if a majority of the group of employees the Steward represents assents as certified in writing by the Local, be deferred from layoff (except temporary layoffs) so long as work for which the Steward is qualified is available among the group of employees the Steward represents. In the event of a layoff affecting the group of employees represented by the employee who is a Steward, such employee shall, in accordance with the applicable local supplement or the local procedures on layoff and displacement, displace an employee within the group who has less actual seniority on work for which the Steward is qualified. In the event the Steward does not have sufficient actual seniority to displace any employee within the group, in accordance with the applicable local supplement or the local procedures on layoff, then such Steward shall be deemed to have sufficient seniority to retain the Steward's job classification and wage rate within the group. Such deferral from layoff will continue only so long as the employee retains his position as a Steward. This provision shall, in general, apply to a maximum of one Steward for each Company Supervisor.

(c) Paragraph (a) and (b) hereof shall apply only to those officials whose names, titles and order of precedence, and to those Stewards whose names and sections, have been furnished in writing to the Company prior to the giving of notice of layoff by the Company and shall not apply to any such officials or Stewards who are on leave of absence pursuant to the provisions of Section 2 hereof.

■ 2. *Leave of Absence*

Upon written request of the Union or any Local:

(a) Employees who are officials of the Union or officers of such a Local, who have at least one year of continuous service, and who represent the Union in its relations with the Company, shall be granted one year's leave of absence by the Company, without forfeiture of prior accumulated continuous service. This provision shall be limited at any one time to not more than 12 officials of the National Union and not more than 6 officers of any Local.

(b) If made at the end of such leave of absence

(1) such leave of absence may be extended yearly.

(2) such employees will be reemployed in work of the same or a similar character in the same or other divisions of the same plant, if qualified therefore, and if entitled thereto on the basis of their prior accumulated continuous service. In the case of employees who are officials of the Union or officers of a Local and who are granted a leave of absence after the effective date of this Agreement, such employees will be entitled (solely for determining their relative seniority for purposes of layoff and rehire under Article XI) to add to their prior accumulated continuous service the total period of any such leave of absence.

■ 3. *Payment for Time on Local Union Activities*

(a) Unless otherwise provided by local written agreement, employees not on leave of absence pursuant to the provisions of Section 2 hereof will be paid by the Company at their respective rates then prevailing for absences from work while engaged in the following activities on Company premises:

(1) During each fiscal month, the number of weeks in such fiscal month multiplied by 1 1/2 hours per week for those Stewards whose names and sections have been furnished to the Company pursuant to the provisions of Section 1(c) hereof, while engaged in processing grievances at Supervisor level pursuant to the provisions of Article XIII, Section 2(a).

Where any plant is regularly scheduled on a forty-eight hour per week basis, the above allowances will be based on 2 hours per week. Payment to Stewards will be made on a weekly basis within the above limits.

(2) Up to a total of eight hours per week (exclusive of time payable under Section 1 hereof) for members of Local Executive Board or for Negotiating Committee members while engaged in processing grievances with representatives of local management pursuant to the provisions of Article XIII, Section 2(b). Such Committee members or Executive Board representatives shall be limited at any one meeting concerning a bargaining unit of less than 5000 employees to six representatives, and shall not exceed twelve for any larger bargaining unit, unless the number is increased by mutual agreement of the Local and local management. This does not limit the number of Executive Board members and does not prevent meeting of the full Executive Board with local management when such meetings are arranged in advance.

(b) (1) Local management and the Local may negotiate a local agreement with respect to payment to local Stewards in excess of the limits provided in (a) (1) above.

(2) In those plant locations where the number of employees in the bargaining unit is 5000 employees or more or where more than one product department is located, local management and the Local may negotiate a local agreement with respect to payment to Local Executive Boards or Negotiating Committee members in excess of the limits provided in (a)(2) above.

(c) Employees requesting payment pursuant to the provisions of Paragraph (a) hereof, shall report all time spent on the handling of grievances to their respective Foremen or other immediate supervisors.

Chief Stewards or Executive Committee members in Company Operations where they act as Chief Stewards, will be permitted to contact Stewards in their respective divisions when the officers of the Local deem such contact necessary. They will advise their own Foremen before leaving their departments and also contact the Supervisor in the department which they are visiting before they contact the Steward.

The Company shall report their names, rates of pay and time absent from work to their respective Locals, and shall in no event be required to make any payments pursuant to Paragraph (a) hereof, except to the extent that such reports are approved by such Locals, and such Paragraph (a) is otherwise applicable.

(d) Whenever an OSHA inspection shall occur in a work area that includes employees represented by a Local Union

listed in the Preamble, an employee designated by the Union who accompanies the OSHA inspector as the employees' representative will be paid for time lost from work during such inspection.

ARTICLE XIII

Grievance Procedure

■ 1. Grievances may be filed by an employee or group of employees, a Steward or the Local. Grievances of a general nature filed by the Local shall be initiated at the second step of the grievance procedure.

■ 2. Steps. Grievances other than those of a general nature may be processed only by recourse to the following successive steps:

(a) *Step One (Supervisor Level)*

(1) Within a reasonable time after the occurrence or knowledge of the situation, condition or action of Management giving rise to the grievance, the employee affected thereby or his one's Steward may present the grievance to the employee's Supervisor or other immediate supervisor. (If presented by the employee, one may also have his Steward present.)

(2) Within one working day after such presentation, such Supervisor or other immediate supervisor shall give to such employee and Steward the decision with respect to such grievance, or shall advise them that additional time for such decision is needed, in which event the Supervisor shall give them such decision within one week thereafter.

(3) A Steward who submits a written grievance to one's Supervisor shall receive, upon request, a written reply.

(4) If a settlement is not reached between the Steward and one's immediate supervisor, the Local may refer the grievance to two representatives of the Local for discussion in the department with representatives of local management for settlement, if possible.

(b) Step Two (Management Level)

(1) If a settlement is not reached at Step One, the designated Local official may present to a representative designated by local management, a written statement of such grievance within thirty (30) days of the Company answer at Step One of the grievance procedure giving all pertinent information relative to the grievance and indicating the relief requested, provided, however, that the designated Local official may advise local management that additional time is needed, in which case the Local shall have an additional one week to process the grievance to Step Two. The time limit between Step One and Step Two may be extended by mutual agreement.

(2) Meetings between representatives of the Local and local management shall be arranged at mutually agreeable times for the purpose of discussing such grievances. In those cases where it is mutually agreed by Management and Local representatives that an inspection of the job would be helpful in settling the case, a subcommittee of the Local with Management representatives shall be allowed to make an inspection of the job. Local representatives may include the Business Agent or the Business Agent's assistant or officers of the Local.

Grievances referred to Step Two will be scheduled and discussed as expeditiously as possible but not later than forty-five (45) days after the grievance has been presented to Step Two. Such time limits may be extended by mutual agreement.

(3) Upon request, local management will give the Local a written reply.

(c) Step Three (Headquarters Level)

Any grievance, having been processed through Step Two without satisfactory settlement, may be referred to the National Officers of the Union for submission to an Executive Officer of the Company or designated representative, who shall arrange meetings for the purpose of discussing such grievances.

Such grievances shall be submitted to the Company not less than two weeks prior to the date of any discussion and not more than three months after the completion of discussions and the final decision of local management at Step Two.

When the Union requests an emergency meeting on a particular grievance or grievances, such a meeting shall take place within one week after the Company receives the request for such an emergency meeting.

The Company shall give its final decision to the Union in writing within a reasonable time after the completion of discussion on any grievance.

The discussions provided for above may, by mutual agreement, be held at the plant location of the Local submitting the grievance, if requested by the Union.

■ 3. *Discipline Based on Warning Notices*

Before imposing a disciplinary penalty or discharge which is based upon the cumulative effect of written warning notices, the Company will notify the employee concerned one week in advance. The matter may be made a subject for grievance discussions, but such discussions shall not prevent imposition of the penalty pending their final outcome, and in the event it is determined that an employee has been improperly penalized, the employee will be reimbursed for any loss of wages sustained as a result of the imposition of the penalty.

ARTICLE XIV

Strikes and Lockouts

■ 1. There shall be no strike, sitdown, slowdown, employee demonstration or any other organized or concerted interference with work of any kind in connection with any matter subject to the grievance procedure, **by any employee or group of employees** and no such interference with work shall be directly or indirectly authorized or sanctioned by a Local or the Union, or their respective Officers or Stewards, unless and until all of the respective provisions of the successive steps of the grievance procedure set forth in Article XIII shall have been complied with by the Local and the Union. The foregoing exception will not apply if (a) the matter is submitted to arbitration as provided in Article XV, or (b) 12 months shall have elapsed after receipt by the Union of the Company's final decision on the grievance at Step Three, or (c) the Company shall not have received written or telegraphic notice of such strike from the Local more than 24 hours prior to the commencement of such strike, which notice will specify the exhausted grievance over which the strike is being called. Upon receipt by the Company of such a strike notice, the Company and the Union will meet immediately to discuss the dispute and the contemplated action so that management may assess the situation. If within thirty (30) days of the end of the 24 hour notice period no resolution is reached or strike initiated, *the identified grievance becomes inactive*. Once the grievance becomes inactive it may not be reissued for seven (7) days from that date, provided it is still within the twelve (12) month date since the Union received the Company's final decision or has not been submitted to arbitration.

■ 2. The Company will not lock out any employee or transfer any job under dispute from the local Works, nor will the local management take similar action while a disputed job is under discussion at any of the steps of the grievance procedure set forth in Article XIII, or if the matter is submitted to arbitration as provided in Article XV.

ARTICLE XV

Arbitration

■ 1. Any grievance which remains unsettled after having been fully processed pursuant to the provisions of Article XIII, and which involves either,

(a) the interpretation or application of a provision of the Agreement, or

(b) a disciplinary penalty (including discharge) imposed on or after the effective date of this Agreement, which is alleged to have been imposed without just cause, or

(c) a nondisciplinary termination occurring after the effective date of this agreement, may be submitted to arbitration upon written request of either the Union or the Company, provided such request is made within 60 days after the final decision of the Company has been given to the Union pursuant to Article XIII, Section 2(c). For the purpose of proceedings within the scope of (b) above, the standard to be applied by an arbitrator to cases involving disciplinary penalties (including discharge) is that such penalties shall be imposed only for just cause.

■ 2. (a) A request for arbitration shall state in reasonable detail the nature of the dispute and the remedy requested. A copy of the request shall be sent to the American Arbitration Association.

(b) Within 30 days after receipt of a request to arbitrate, the receiving party will give its response thereto in writing, with a copy to the Association, stating whether or not it

believes the stated dispute to be arbitrable. If the receiving party believes the dispute not to be arbitrable, it will state its reasons in reasonable detail.

(c) If the response agrees to the arbitrability of the dispute, the Association will proceed to process the request in accordance with Section 3.

(d) If a response to a request for arbitration disagrees as to arbitrability of the dispute, either party may request a conference to discuss the arbitrability of the dispute, and to seek to resolve the differences between the parties.

■ 3. (a) When a request for arbitration involves relief from a discharge alleged to have been imposed without just cause, or involves a dispute which the Company admits to be arbitrable, or when a final court judgment shall have ordered arbitration of a request, the Association shall submit the appropriate matter promptly to one of the Contract Arbitrators listed below for scheduling of a hearing thereon.

The Contract Arbitrators shall serve for the duration of this Agreement. The Association will assign each arbitration case in rotation, in the order of Contract Arbitrators listed below. If a Contract Arbitrator states an inability to accept a case, it will be referred to the next Contract Arbitrator in line.

Whenever the number of unresolved arbitration requests assigned to a Contract Arbitrator shall exceed three, any additional requests which would otherwise be assigned said Contract Arbitrator in order of rotation shall be referred to the next Contract Arbitrator in line.

CONTRACT ARBITRATORS

Timothy L. Bornstein
Leroy D. Clark
Lawrence T. Holden, Jr.
Charles F. Ipavec
Mark L. Irvings
James E. Jones
Richard Mittenthal
Craig E. Overton
Joan W. Parker

Frank E. A. Sander
Eric J. Schmertz
Anthony Sinicropi
Joseph P. Sirefman
Janet M. Spencer
Theodore St. Antoine
Jeffrey B. Tener
Paul Zonderman

In all discharge and upgrading cases, the Association shall expedite the handling of such cases as follows:

(i) Request from the Contract Arbitrator, at the time of appointment, two or three proposed alternative hearing dates for hearing days within sixty (60) days of appointment.

(ii) Communicate proposed alternative hearing dates to designated representatives of the parties promptly and secure a firm commitment on a hearing date.

(iii) Schedule agreed upon hearing date in accordance with regular procedure.

(b) Only one request shall be scheduled for the same arbitration hearing, except by mutual agreement of the parties.

(c) In the conduct of an arbitration hearing, the applicable provisions of the Voluntary Labor Arbitration Rules of the Association shall control, except that either party may, if it desires, be represented by counsel.

(d) The dispute as stated in the request for arbitration shall constitute the sole and entire subject matter to be heard by the arbitrator, unless the parties agree to modify the scope of the hearing.

4. (a) In the event the receiving party has asserted that the dispute contained in a request for arbitration is not arbitrable, the Association shall have authority to process the request for arbitration and appoint an arbitrator in accordance with the procedure set forth in Section 3 above only after a final judgment of a court has determined that the grievance upon which arbitration has been requested raises arbitrable issues and has directed arbitration of such issues. The foregoing part of this section shall not be applicable if the request for arbitration involves only relief from a disciplinary penalty or discharge alleged to have been imposed without just cause.

(b) In the consideration and decision of any question involving arbitrability (including any application to a court for an order directing arbitration), it is the specific agreement of the parties that:

(i) Some types of grievance disputes which may arise during the term of this Agreement shall be subject to arbitration as a matter of right, enforceable in court, at the demand of either party. (See Section 6 below.)

(ii) Other types of disputes shall be subject only to voluntary arbitration, i.e., can be arbitrated only if both parties agree in writing, in the case of each dispute, to do so. (See Section 7 below.)

(iii) This Agreement sets out expressly all the restrictions and obligations assumed by the respective parties, and no implied restrictions or obligations inherent in this Agreement or were assumed by the parties in entering into this Agreement.

(iv) In the consideration of whether a matter is subject to arbitration as a matter of right, a fundamental principle shall be that the Company retains all its rights to manage the business, including (but not limited to) the right to determine the methods and means by which its operations are to be carried on, to direct the work force and to conduct its operations in a safe and effective manner, subject only to the express limitations set forth in this National Agreement, Local Seniority Supplements executed under the provisions of Article XI thereof, and Local Understandings executed in accordance with Section 3 of Article XXI thereof; and it is understood that the parties have not agreed to arbitrate demands which challenge action taken by the Company in the exercise of any such rights, except where such challenge is based upon a violation of any such express limitations (other than those set out in Section 7 below).

(iv) No matter will be considered arbitrable unless it is found that the parties clearly agreed that the subject involved would be arbitrable in light of the principles of arbitrability set forth in this Article and no court or arbitrator shall or may proceed under any presumption that a request to arbitrate is arbitrable.

(c) If a final judgment of a court has determined that a request raises arbitrable issues, the court's decision shall specify in reasonable detail the issues as to which arbitration is directed. The arbitration shall thereafter proceed only upon the issues specified in such final court judgment and the arbitrator shall have no authority or jurisdiction to consider issues other than those specified.

■ 5. The powers of an arbitrator shall include the authority to render a final and binding decision with respect to any dispute brought before the arbitrator including the right to modify or reduce or rescind any disciplinary action taken by the Company but excluding the right to amend, modify or alter the terms of this Agreement, or any Local Understanding.

The expense of the arbitration will be borne equally by both parties.

Individuals who are covered by this Agreement do not have the right to invoke the arbitration procedure on their own initiative. The arbitration procedure can only be invoked by the Company on its behalf or the Union on behalf of the employees.

■ 6. (a) Arbitration as a matter of right includes only requests to arbitrate which involve:

- (i) Disciplinary action (including discharge) or nondisciplinary terminations but with certain exceptions spelled out in this article;

(ii) The claimed violation of a specific provision or provisions of the National Agreement (with the limitations and exceptions set out in this Article);

(iii) The claimed violation of a provision or provisions of a signed Local Seniority Supplement entered into in accordance with Article XI, Section 2 of this National Agreement or of a provision or provisions of a Local Understanding entered into in accordance with Article XXI, Section 3 of this National Agreement.

(b) A request for arbitration, in order to be subject to arbitration as a matter of right under the provisions of Subsections (a) (ii) and (a) (iii) above, must allege a direct violation of the express purpose of the contractual provision in question, rather than of an indirect or implied purpose. For example, a request which claims incorrect application of the method of computing overtime pay under the provisions of Section 2 of Article V would be arbitrable as a matter of right, whereas a request which questioned the right of the Company to require the performance of reasonable overtime work, on the claimed ground that Article V contains an implied limitation of that right, would be subject only to voluntary arbitration. A request that Article XI and the appropriate Local Seniority Supplement had been violated by the layoff of a senior employee in preference to a junior employee would be arbitrable as a matter of right but a request that subcontracting of work in the plant while bargaining unit employees are on layoff violated a claimed implied limitation of Article XI and the applicable Local Seniority Supplement would be subject only to voluntary arbitration.

■ 7. All requests for arbitration which are not subject to arbitration as a matter of right under the provisions of Section 6 above are subject only to voluntary arbitration. In particular, it is specifically agreed that arbitration requests shall be subject only to voluntary arbitration, by mutual agreement, if they

(a) Involve the existence or alleged violation of any agreement other than those described in 6(a) above.

(b) Involve issues which were discussed at national level negotiations, but which are not expressly covered in this National Agreement (e.g., subcontracting).

(c) Involve claims that an allegedly implied or assumed obligation of this National Agreement has been violated.

(d) Involve claims that Article I, or Section 3 of Article IV of this National Agreement has been violated; provided, however, that grievances which claim that a disciplinary action, discharge, upgrading action or transfer action violates Section 3 of Article IV will be subject to arbitration as a matter of right.

(e) Would require an arbitrator to consider, rule on or decide the appropriate hourly, or salary rate at which an employee shall be paid, or the method (day, or salary) by which the employee's pay shall be determined. (See footnote)

(f) Would require an arbitrator to consider, rule on or decide any of the following:

- (i) The elements of an employee's job assignment;
- (ii) The level, title or other designation of an employee's job classification;

(iii) The right of management to assign or reassign work or elements of work. (See footnote)

(g) Involve claims of violation of Sections 1 and 2 of Article XI, in locations in which a Local Seniority Supplement has not been signed in accordance with Section 2 of Article XI.

(h) Pertain in any way to the establishment, administration, interpretation or application of Insurance, Pension or Savings Plans, or other Benefit plans in which employees covered by this Agreement are eligible to participate.

(i) Involve discipline or discharge imposed on employees having less than six months of service credits with the Company, provided that if by Local Understanding a period of less than six months has been agreed upon as the probationary period for new employees, and such Local Understanding is applicable to the particular employee involved, such agreed upon shorter period of time shall be substituted for "six months" in the foregoing; and provided further that nothing in this subsection shall limit the authority of an arbitrator with respect to disciplinary penalties or discharges imposed in violation of Section 1 of Article IV.

Footnote: Subsections e and f reflect the fact that this National Agreement does not set out specific rates or classifications for jobs, and are designed to confirm the intent of Article VI, Section 1 and Article VI, Section 5 (first sentence) that disputes over individual job classifications, rates of pay, etc., are assigned by the parties to local negotiations, and not to arbitration.

(j) Pertain in any way to Article XXII of this Agreement or its interpretation or application.

(k) Pertain in any way to the provisions of any local agreement covering a retraining program under the provisions of Article XXIV hereof, or the interpretation or application thereof.

■ 8. (a) The parties shall refrain from requesting transcripts for those hearings where the submission to arbitration meets the following criteria:

(i) The interpretation of one or more provisions of the collective bargaining agreement is not involved; and

(ii) There is no "procedural" questions such as arbitrability or due process; and

(iii) There is no claim alleging discrimination in violation of Section 3 of Article IV of this Agreement; and

(iv) The only issue in a discharge or discipline case is whether the discharge or discipline was imposed for just cause.

(b) An arbitrator shall give an Award without an Opinion in certain arbitration cases in accordance with the following:

(i) An Award without an Opinion shall consist of a summary statement by an arbitrator of no more than two pages which briefly sets forth the basis of the Award.

(ii) An Award without an Opinion shall be given in all discipline or discharge cases meeting the criteria in Section 8(a), above, under the following procedure:

(1) If the party requesting arbitration believes the grievance meets the criteria, that party would so indicate in its written request for arbitration.

(2) If the party requesting arbitration does not indicate in its written request for arbitration that it believes the case meets the criteria, the other party may indicate that it believes the grievance meets the criteria in its written agreement to arbitrate.

(3) If the party requesting arbitration indicates that it believes the grievance meets the criteria in 8(a), above, in its request for arbitration, or if the other party so indicates in its written agreement to arbitrate, the Association will instruct the designated arbitrator to issue an Award without an Opinion subject to the discretion given the arbitrator in (4) below.

(4) If either party disagrees with the indication of the other party (provided for in (1) and (2), above) that the grievance meets the criteria set forth in 8(a), above, that party may request a written Opinion from the arbitrator so long as such request is made before the hearing is closed. When such a request is made by either party, the arbitrator shall rule whether a written Opinion is waived under the criteria set forth in 8(a) above.

(5) If evidence is admitted during the hearing at the instance of either party which, in the judgment of the other party, would change the case from one meeting the criteria in 8(a), above, to a case not meeting the criteria, the other party may then demand a written Opinion so long as such demand is made before the oral hearing is closed - notwithstanding prior agreement to waive the Opinion. This provision, however,

should not be interpreted in any way to imply that either party would agree to the introduction of evidence at the hearing which would change the nature of the case.

■ 9. Any arbitration case between the Company and the Union which is limited to a disciplinary penalty other than discharge is covered by the supplemental arbitration procedure set forth below:

(a) The following rules shall apply in cases covered by this section:

(i) The only issue before the arbitrator shall be whether the discipline was imposed for just cause.

(ii) There shall be no transcript of the hearing.

(iii) There shall be no post-hearing briefs or other written arguments by the parties.

(iv) If either party so requests, there shall be a thirty (30) minute recess before any closing oral argument by the parties.

(v) The arbitrator shall render an Award without an Opinion no more than twenty-four (24) hours after the closing of the oral hearing.

(b) The compensation for an arbitrator for hearing a case under this procedure shall be a fee of \$750.00 for each case. **This fee is subject to revision during the term of this agreement, with the mutual consent of both parties.** The arbitrator shall also be entitled to travel expenses in accordance with the regular procedures of the American Arbitration Association.

(c) A special panel of arbitrators shall be established to hear cases under this procedure by mutual agreement of the parties. These panels will consist of more than 2, but not greater than 5 panelists, and will be established in the: Philadelphia/South Jersey Area and Upstate New York Area.

(d) Whenever a request for arbitration meets the criteria set forth above, the Association shall designate an arbitrator from the special panel of arbitrators, as provided for herein, to hear the case instead of a regular Contract Arbitrator, as provided for in Section 3 (a) of this Article, as follows:

(i) Assignments will be made by the American Arbitration Association based on the arbitrators' geographical proximity, the availability of the arbitrators, and the number of cases assigned particular arbitrators at given locations. No arbitrator will be assigned to more than 25% of the cases at a given location under this procedure without the mutual consent of the parties.

(ii) A date for a hearing shall be scheduled within sixty (60) days of the appointment of the arbitrator.

ARTICLE XVI

Posting

The Company will make bulletin boards available for the use of the Locals for the posting of notices. All notices shall be subject to the Human Resource Manager's approval and he will also arrange for posting.

ARTICLE XVII

Notification and Publicity

- 1. The Company agrees to notify the Local and the National Officers of any matter affecting employees generally and concerning which the Union or the Local is the certified bargaining representative and not covered by this Agreement as soon as the Foremen are notified.
- 2. On any grievance or other matter which has been negotiated between the Company and the Union or the Local, the Company will notify the Union or Local of any decision or determination before it notifies the employees affected.

ARTICLE XVIII

Financial Support

The Company shall not give financial aid to or otherwise support any labor organization. This, however, shall not prevent both parties to this contract from cooperating and exchanging such information essential for the furtherance of agreeable relations.

ARTICLE XIX

Information

■ 1. *New Employees - Reengaged Employees*

The Company will provide each Local, from information of record, with a monthly list of newly hired and reengaged employees; the information will consist of name, home address, seniority date, occupation, department, Supervisor, and checkoff status.

■ 2. *Laid Off Employees*

The Company will provide each Local, on a monthly basis, with information on employees laid off for lack of work after notification has been given to the employees; the information will consist of the name, home address of record, continuous service date, occupation, department, and Supervisor. The Supervisor will give to the Steward information on extended layoffs, whenever possible one week before the employee is laid off.

■ 3. *Transfers*

The Company will provide each Local with information on transfers which are made through the Human Resources Office.

■ 4. *Master List of Employees*

Semiannually, the Company, from information of record, will provide the Local with a complete list of all employees then in the bargaining unit and showing the name, home address, continuous service date, seniority date, occupation, department, job rate, paid rate, clock card number, and checkoff status of each employee on such list.

ARTICLE XX

Traveling Time and Expenses

Hourly rated and salaried employees traveling at the request and with the prior approval of the Company will receive:

- 1. Payment at the rates applicable had they worked for all time spent in such travel; provided, however, that where transportation with sleeping accommodations is used, an additional one hour's pay at such rates for trip preparation shall be allowed, but no payment shall be made for traveling time between the hours of 6:00 p.m. and 6:00 a.m., or in excess of eight hours in any one day.
- 2. Reasonable expenses for transportation, meals, and hotels wherever necessary. Where travel is by automobile not owned by the Company, such transportation expense shall be at the **approved IRS mileage rate** in cents per mile or as negotiated locally, provided use of such automobile has been specifically approved in advance by the Company. This transportation expense rate shall be updated during the term of this agreement as revised by the IRS, and will be made effective if and when implemented across the company.
- 3. Traveling time and expenses shall be itemized and submitted to Management for approval.

ARTICLE XXI

Local Understandings

- 1. The provisions of this Agreement are subject to all present local understandings, and such understandings will remain in effect unless changed in the manner provided in the following section.
- 2. After the effective date of this Agreement, new local understandings will be recognized and made effective only where set forth in writing and signed by local management and the Local, and approved by the Company and the Union.
- 3. The existence of, or any alleged violation of, a local understanding shall not be the basis of any arbitration proceeding, unless such understanding is in writing and signed by the Company and Union.

ARTICLE XXII

Job and Income Security

■ 1. *Definitions*

(a) The terms "plant closing" and "to close a plant" mean the announcement and carrying out of a plan to terminate and discontinue either all Company operations at any plant or other facility, or those Company operations which would result in the termination of all employees represented by the Union at that location when those employees do not have displacement rights.

Such terms do not refer to the termination and discontinuance of only part of the Company's operations at any plant or other facility (except as specifically provided in the paragraph above) nor to the termination or discontinuance of all of its former operations coupled with the announced intention to commence there either larger or smaller other operations. Any employees released by such latter changes will be considered as out for lack of work and will be subject to provisions applicable to those on layoff.

Also, such terms do not refer to the transfer or sale of such operations to a successor employer who offers continued employment to Company employees. Company employees who are not offered continued employment by the Company or by the successor employer will be considered as out for lack of work and will be subject to provisions applicable to those on layoff.

(b) The term "plant closing date" means the day when benefits for and terminations of represented employees begin because of a plant closing.

(c) The terms "transfer of work," "to transfer work," and "work transfer" mean the discontinuance of ongoing work at one location coupled with the assignment of the same work to a different location, including subcontracting the same work to another employer, if such assignment of work would directly cause a decrease in the number of represented employees performing such work at the first location.

(d) The term "robot" means a programmable, multi-function manipulator designed to move materials, parts, tools, or specialized devices through variable programmed motions for the performance of a variety of tasks.

(e) The term "automated manufacturing machine," means a device for doing work which has programmable controllers (PC), numerical controls (NC), computer numerical controls (CNC) or direct numerical controls (DNC).

(f) The term "automated office machine" means a device for doing office work which is computer-based and which includes word processing, data processing, image processing, electronic mail or business and engineering graphics devices.

(g) The term "week's pay" as used in this Article XXII, for a salaried employee shall be the higher of (a) the employee's normal straight-time weekly salary (including any night shift bonus) for the last full week worked by the employee or (b) the employee's normal straight-time weekly salary (including any night shift bonus) in effect during the last full calendar week worked by the employee during the calendar year preceding the year in which the employee's

current layoff began. A "week's pay" for an hourly employee on day work shall be calculated by multiplying the higher of (a) the employee's straight-time hourly rate (including any night shift bonus) which the employee was paid during the last week worked by the employee or (b) the employee's straight-time hourly rate (including any night shift bonus) which the employee was paid during the last full calendar week worked by the employee during the calendar year preceding the year in which the employee's current layoff began, times the number of hours in the employee's normal workweek, up to 40 hours.

(h) The term "Special Early Retirement Option Offset" includes the present value of the difference between the pension benefits the employee would be eligible to receive absent exercise of the Special Early Retirement Option and the benefits to be received under the Special Early Retirement Option, including the present value of any Pension Plan Supplements payable as a result of a permanent job loss event as defined in the Lockheed Martin Pension Plan for Employees Represented by IUE. This difference shall be measured from the date of termination for retirement to the date the individual would be otherwise able to receive an unreduced pension. For the purpose of determining present value, the interest rate discount assumption will be that (as of the beginning of the calendar year in which the employee retires) defined by the Lockheed Martin Pension Plan for employees in participating bargaining units in determining the present value of immediate annuities for terminating single employer trusteed plans.

This Special Early Retirement Option Offset shall also include an amount attributable to health benefits payable as a result of a permanent job loss event as defined in the Lockheed Martin Pension Plan for Employees Represented by IUE. This amount will be calculated by multiplying \$3,000 times the number of whole years between the date of termination for retirement and the date when first eligible for Medicare. The resulting number shall be reduced by a factor equivalent to the percent of employee contributions toward the average value of health coverage at the time of the Special Early Retirement Option. The \$3,000 figure shall be adjusted annually based on annual increases in the medical component of the Consumer Price Index for all-urban consumers. The annual adjustment will be made at the end of the calendar year based on the year over year increases of the October index figure.

■ 2. *Plant Closing*

■ (a) *General*

■ (1) Whenever the Company decides to close a plant, the Company shall give notice of its decision to the Union, the Local or Locals involved, and the employees concerned. Thereafter, as the Company, in the course of such plant closing, no longer has need for the work then being done by an employee, his employment by the Company may be terminated, subject to compliance with the provisions of this Section 2.

■ (2) Each employee shall be given at least one week's advance notice of the specific date of the employee's termination.

(b) *Severance Pay*

(1) An eligible employee whose employment is terminated because of plant closing shall be entitled to Severance Pay in a lump sum, for which the employee is eligible as described below and the full vacation allowance for which the employee might have qualified for the calendar year in which the employee's employment is terminated and any other accumulated allowances due the employee, provided that the employee:

(i) After the announcement of the plant closing, continues regularly at work for the Company until the specific date of the employee's termination, or

(ii) Fails to continue regularly at work until the specific date of the employee's termination due to verified personal illness, leave of absence, or layoff, or

(iii) Was laid off within six (6) months prior to the Company announcement of the plant closing decision and continues on layoff, unless recalled, until the employee's termination date for plant closing.

(2) Such employee may request that his date of termination be advanced so that the employee can accept other employment and the local management will give due regard to this request.

(3) Notwithstanding the provisions of this Section 2, an employee who is affected by plant closing may elect, prior to the specific date of his termination for plant closing, to be placed on lack of work status. In such event, the employee will be paid benefits under Section 4 below, in lieu of any and

all of the benefits set forth in this Section 2.

(4) Computation of Severance Pay

(i) An employee with two or more but less than fifteen years of continuous service will, in accordance with the provisions set forth above, be eligible for Severance Pay computed on the basis of \$750.00 pay for each of the employee's full years of continuous service plus \$187.50 for each additional 3 months of continuous service at the time of termination, provided that the amount of the Severance Pay benefit as computed under this paragraph shall be subject to a minimum benefit equal to \$3,000.00.

(ii) An employee with fifteen or more years of continuous service will, in accordance with the provisions set forth above, be eligible for Severance Pay computed on the basis of \$950.00 pay for each of the employee's full years of continuous service plus \$237.50 for each additional 3 months of continuous service at the time of termination up to a maximum of 26 years.

(5) Deferral Election

An employee who elects to receive Severance Pay in a lump sum may elect to defer payment of half or all of the lump sum until the first month of the year following the employee's termination because of a plant closing. Once made, such election will be irrevocable.

(c) Employment Assistance Program

To assist employees terminated because of a plant closing to find new jobs and to learn new skills, local management will establish an Employment Assistance Program following announcement of a decision to close a plant. The Employment Assistance Program will include job placement assistance and education and retraining assistance.

(1) Job Placement Assistance

(i) Job Placement Assistance will include job counseling as well as job information services. Examples of such services are counseling in job search and interviewing techniques, identification and assessment of skills, and employment application and resume preparation as well as providing employees information on placement opportunities.

(ii) Local Union involvement will be encouraged in these activities and local management may also use the expertise and resources of public and private agencies in providing these services.

(iii) Two (2) employee representatives designated by the Local (one such representative in a plant of less than 300 represented employees) will each be paid by the Company at their respective rate then prevailing, for approved absences from work up to a total of eight (8) hours per week to work with local management in the establishment and operation of the Employment Assistance Program.

(2) *Education and Retraining Assistance*

(i) An employee with two or more years of continuous service who is terminated as a result of a plant closing will be eligible to receive Education and Retraining Assistance for courses approved by the Company which contribute to or enhance the employee's ability to obtain other employment provided that the employee begins the approved course within one year following termination. Approved courses will normally be given at schools which are accredited by recognized regional or state accrediting agencies and may include:

- Occupational or vocational skill development;
- Fundamental reading or numerical skill improvement;
- High school diploma or equivalency achievement; and
- College level career oriented courses.

(ii) An employee will be reimbursed up to a maximum of **three thousand five hundred dollars (\$3,500.00)** for authorized expenses which are incurred within two years following termination provided a passing grade is received in the course. Authorized expenses include verified tuition, registration and other compulsory fees, costs of necessary books, and other required supplies. However, if tuition or other authorized expenses are covered by government benefits, other employers, or scholarships, the Company reimbursement will not apply to that portion covered by such other plan.

(iii) An employee who elects to receive benefits under the Income Extension Aid layoff option in lieu of benefits under the Plant Closing section of this Article will not be

eligible for Education and Retraining Assistance.

(d) Preferential Hiring

(1) Election

An hourly rated or nonexempt salaried employee eligible for Severance Pay under this Section 2 may elect, prior to the employee's termination for plant closing or within sixty (60) days following the employee's scheduled termination date for plant closing, to be placed in a Preferential Hiring status.

During this period, the employee will be considered eligible for IEA benefits provided the employee otherwise meets the requirements in Section 4(b)(1)(i). If at the end of the sixty (60) day period the affected employee does not elect to participate in Preferential Hiring, the amount of Severance Pay available under this Section 2, less any amount paid in IEA benefits, will be paid in lump sum and the employee will terminate service. When making this election, the employee shall designate up to two (2) of the following locations: Schenectady, NY (KAPL Inc); Moorestown, New Jersey; Syracuse, New York. Up to three location substitutions to those designated will be permitted during the three year eligibility period. Locations which are opened or closed during an eligibility period may be added or eliminated from the designated locations and shall not be considered one of the three substitutions, provided however that no more than two locations may be designated at any one time. The election shall be effective for three years. Election of Preferential Hiring status will not affect an individual's continuity of service.

(2) Procedure

Individuals who have made this election for Preferential Hiring will be placed in a Preferential Hiring status on their designated termination date for plant closing. Individuals in a Preferential Hiring status will be given preference, to the extent practical, over new hires for job openings at the locations designated by them in order of their length of continuity of service when such individuals with the necessary qualifications are available.

(3) Layoff Benefits

While in a Preferential Hiring status, an eligible employee will be paid IEA-type layoff benefits under the procedures set forth in Section 4(b)(1)(i) of this Article up to the amount of the employee's eligibility for Severance Pay under Section 2(b)(4) of this Article in lieu of any and all other benefits set forth in this Section 2. If reemployed from Preferential Hiring status, IEA-type layoff benefits must be repaid in order to restore eligibility for IEA benefits based on prior service for future layoffs under Section 4(a)(2) of this Article.

(4) Seniority

Individuals reemployed under this Section 2(d) will have seniority for the purpose of subsequent layoff, recall, upgrading and other seniority purposes at their new locations based upon the established seniority procedures and practices at their new location.

(5) Relocation Assistance

If an individual employee who elected Preferential Hiring

is reemployed under this Section 2(d) within three (3) years from that individual's designated date of termination for plant closing, that employee shall be eligible for reimbursement for substantiated reasonable and necessary relocation expenses to the new location up to the greater of \$2,500.00 for individual employees without dependents or up to a maximum of \$3,500.00 for employees with dependents living in the employee's home (as verified by federal income tax returns).

(6) Severance Pay

If an individual employee who elected Preferential Hiring is not reemployed by the Company within one year from that individual's designated date of termination for plant closing, that individual will then be deemed to have been terminated as of that individual's designated date of termination for plant closing and paid the Severance Pay the individual would have received under this Section 2(b)(4) if the Preferential Hiring option had not been elected, less any layoff benefits paid under (3) of this Section 2(d) while in the Preferential Hiring status.

(e) Optional Local Plant Closing

Termination Agreement

Because the circumstances in a plant closing will vary in terms of employment, location and timing, as well as other local considerations, the Local Union and local management may negotiate a Special Local Agreement covering the plant closing termination procedure for employees represented by the Local. Any such agreement shall be in writing and approved in accordance with Article XXI, Section 2, of this National Agreement.

■ 3. *Retraining and Readjustment Assistance*

■ (a) *Rate Guarantee*

■ An hourly rated or nonexempt salaried employee whose job is directly eliminated by a transfer of work, the discontinuance of a discrete, unreplaced product line, the introduction of a robot, or the introduction of an automated manufacturing or office machine shall be paid on any job to which transferred or recalled in the plant at a rate not less than the regular hourly daywork rate (actual straight time salary rate in the case of nonexempt salaried employees) of the job eliminated for up to seventy-eight (78) weeks immediately following the original transfer or layoff.

■ (b) *Special Retirement Bonus*

■ (1) *Election*

■ An hourly rated or nonexempt salaried employee who is age sixty (60) or older with fifteen (15) or more years of continuous service and is assigned to a job classification which the Company has announced is expected to be directly adversely affected by a transfer of work, the discontinuance of a discrete, unreplaced product line, the introduction of a robot, or the introduction of an automated manufacturing or office machine may elect to be considered for termination with a Special Retirement Bonus. This election shall be made within twenty (20) days following the Company announcement of its decision involving the transfer of work, the discontinuance of a discrete, unreplaced product line, introduction of a robot, or introduction of an automated manufacturing or office machine which is expected to result in the elimination of certain jobs.

(2) Procedure

Eligible employees electing this option will be designated by their seniority for a Special Retirement Bonus. A termination under this option will be effective and the Special Retirement Bonus will be paid when a job in the particular job classification to which the eligible employee is assigned is directly eliminated by the previously announced transfer of work, the discontinuance of a discrete, unreplaced product line, introduction of a robot, or introduction of an automated manufacturing or office machine, which directly results in a net reduction in the total number of employees working in that same job classification.

(3) Special Payment

This Special Retirement Bonus shall be **\$10,000.00**

(c) Special Placement Procedure

(1) Election

An hourly rated employee whose job is directly eliminated by a transfer of work, the discontinuance of a discrete, unreplaced product line, the introduction of a robot, or the introduction of an automated manufacturing machine may request a Special Placement from the eliminated job in lieu of placement, displacement or layoff under the regular local layoff and rehiring procedure. The Special Placement request must be made within **five (5)** days following notification to the employee of the regular placement, displacement or layoff.

(2) Placement

(i) If a timely request is made, an eligible employee shall be placed, or displace with seniority, on an available

equal or lower rated job classification if the employee has the necessary minimum qualifications for the job; provided the Special Placement would be on a higher rated job than that provided by the regular placement.

(ii) If an eligible employee who has made a timely request is unable to be placed under Section 3(c)(2)(i) above, such employee shall be placed, or displace with seniority, on an equal or lower rated job up to the top of the one month progression schedule without regard to the regular minimum qualifications for the job; provided the Special Placement would be on a higher rated job than that provided by the regular placement.

(iii) An employee placed under this Section 3(c) is required to achieve normal performance within the time period of the regular progression schedule.

(d) Optional Local Retraining and Placement Agreement

Whenever the Company announces a transfer of work, the discontinuance of a discrete, unreplaced product line, the introduction of a robot, or the introduction of an automated manufacturing or office machine, the Local Union and local management may negotiate a Local Retraining and Placement Agreement.

(e) Special Preferential Hiring

(1) Election

An hourly rated or nonexempt salaried employee eligible for Income Extension Aid who is given notice under the local layoff procedure of being displaced and subject to layoff in the immediate chain of displacements resulting when a job is directly eliminated by a transfer of work, the

discontinuation of a discrete, unreplaced product line, the introduction of a robot, or the introduction of an automated manufacturing or office machine may elect, prior to the day of the employee's scheduled layoff because of such Company action, or within thirty (30) days following such layoff if weekly IEA payments have been elected to be placed in a Special Preferential Hiring status. When making this election, an employee shall designate up to two (2) of the following locations: Schenectady, NY (KAPL Inc.); Moorestown, New Jersey; Syracuse, New York;. Up to three location substitutions to those designated will be permitted during the three year eligibility period. Locations which are opened or closed during an eligibility period may be added or deleted from the designated locations and shall not be considered a substitution, provided, however that not more than two locations may be designated at any one time. The election shall be effective for three years. Election of Special Preferential Hiring status will not affect an individual's continuity of service.

(2) Procedure

Individuals who have made this election for a Special Preferential Hiring status will be placed in a Special Preferential Hiring status at the time of layoff. Individuals in the Special Preferential Hiring status will be given preference, to the extent practical, over new hires for job openings at the locations designated by them in order of their length of continuity of service when such individuals with the necessary qualifications are available. An employee so electing may request that the employee's layoff date be advanced so that

the employee can accept other employment with the Company and local management will give due regard to this request.

(3) Layoff Benefits

While in a Special Preferential Hiring status, an eligible employee will be paid IEA layoff benefits under the procedures set forth in Section 4(b)(1)(i) of this Article up to the amount of the employee's eligibility for IEA under Section 4(a)(1) of this Article in lieu of any and all other benefits set forth in this Section. If reemployed from Special Preferential Hiring status, IEA benefits must be repaid in to restore eligibility for IEA benefits based on prior service for future layoffs under Section (a)(2) of this Article.

(4) Seniority

Individuals reemployed under this Section 3(e) will have seniority for the purpose of subsequent layoff, recall, upgrading and other seniority purposes at their new locations based upon the established seniority procedures and practices at their new location. While reemployed at the new location as a result of Special Preferential Hiring, an employee will not be eligible for recall at the old location.

(5) Relocation Assistance

If an individual employee who elected Special Preferential Hiring is reemployed under this Section 3(e) within three years from that individual's placement in the Special Preferential Hiring status, that employee shall be eligible for reimbursement for substantiated reasonable and necessary relocation expenses to the new location up to the greater of

\$2,500.00 for individual employees without dependents or up to a maximum of **\$3,500.00** for employees with dependents living in the employee's home (as verified by federal income tax returns).

(6) Income Extension Aid

If an individual employee who elected Special Preferential Hiring is not reemployed by the Company within one year from that individual's placement in the Special Preferential Hiring status, that individual will have continuity of service broken and be paid any remaining Income Extension Aid available under Section 4(a)(1), less any layoff benefits paid under (3) of this Section 3(e) while in the Special Preferential Hiring status.

■ *4. Income Extension Aid*

(a) Computation of Income Extension Aid

(1) An employee with two or more years of continuous service will, in accordance with the provisions hereinafter set forth, have available Income Extension Aid computed on the basis of **\$500.00** for each of the employee's full years of continuous service plus **\$125.00** pay for each additional 3 months of continuous service at the time of layoff up to a maximum of 26 years.

(2) If the amount of Income Extension Aid available to any employee as computed in Subsection (a)(1) has been reduced by payments under any of the options below, then, providing the employee has returned to work from layoff, the total amount available as described in Subsection (a)(1) shall be automatically restored. Employees hired after August 12,

1994 will have their IEA eligibility restored after being employed three (3) months after being recalled from layoff. This Subsection (2) shall not apply where payments have been made under Section 4(b)(1)(iii) or under Plant Closing Section 2 where the employee is rehired within 6 months of termination or under Preferential Hiring Section 2(d), except, that when an employee makes repayment of benefits paid under such Section 4(b)(1)(iii) or Section 2, this Subsection (a)(2) shall apply when the employee returns to work with respect to a subsequent layoff.

(3) Minimum Benefit

The amount of the Income Extension Aid benefit as computed under Section 4(a)(1) shall be subject to a minimum benefit equal to **\$2,000.00**

(b) Benefits Available at Layoff

(1) An eligible employee laid off for lack of work may elect from the following:

(i) The employee, while on layoff from the Company and so long as the employee is unemployed, may elect to receive a weekly payment from the Income Extension Aid payable to the employee, in such amounts and upon such conditions as set forth in this subsection. Payment may begin only after a one week waiting period following the commencement of layoff.

The employee must elect at the time of layoff, to receive weekly payments which, when added to the total federal and state unemployment compensation benefits received for each week, equals 60%, 70%, 80%, 90% or 100%

of the employee's weekly pay as defined in Section 1(g) up to a maximum of 26 weeks, provided, however, that payment shall be made only if the employee has applied for and received unemployment compensation benefits for that week and only if the employee has provided the Company with satisfactory proof of the total of such benefits received for the week. In the event an employee seeking benefits under this Section 4 is denied unemployment compensation payment in whole or in part, solely because of a disability arising more than 31 days following layoff rendering the employee unable to work, or due to the receipt of public or private retirement income, because of insufficient earnings to establish unemployment compensation eligibility or because unemployment compensation benefits have been exhausted for the base year, that employee shall be entitled to weekly IEA payments as though there had been no such unemployment compensation disqualification.

After exhaustion of the employee's entitlements to federal and state unemployment compensation benefits if less than 26 weeks, the weekly payment shall be in that amount of the employee's weekly pay elected by the employee at the time of being placed on lack of work as defined in Section 1(g) up to a maximum of 26 weeks. Payments shall be made only if the employee certifies that the employee is still unemployed and they shall continue only until the full amount for which the employee qualifies under Section 4(a) is paid.

Payments (in such amount and upon such conditions as set forth above) may also be made to an employee on layoff while the employee is unemployed and attending a recognized trade or professional school or training course under the

Lockheed Martin Individual Development Program for employees represented by IUE - CWA, attendance at which makes the employee ineligible for state or federal unemployment compensation benefits.

(ii) In any event, at the end of one year on layoff, or upon termination of continuity of service due to voluntary retirement, any balance in the Income Extension Aid available to the employee not theretofore paid will be paid in a lump sum to the employee.

(iii) As a special option, an employee may, with the approval of local management, which approval shall not be unreasonably withheld, elect to receive the total amount of Income Extension Aid and any vacation or other accumulated allowances due, and at the time of such payment, terminate employment and thus forego recall rights.

(2) Income Extension payments made under Subsections (b)(1)(i) and (ii), above, shall not affect service credits previously accumulated, continuity of service, and recall rights. It will not be necessary for an employee to repay any Income Extension Aid payable under said Subsections (b)(1)(i) and (ii) above.

(3) In the event an employee elects, as provided for in Section 7(a) of Article IX of this Agreement with respect to a scheduled shutdown period, to take the time off without pay as though on a temporary layoff, the employee shall not be eligible for Income Extension Aid for that scheduled shutdown period.

(c) Special Voluntary Layoff Bonus

Whenever the Company announces an indefinite reduction in force, a Special Voluntary Layoff Bonus opportunity will exist. To be eligible an employee must be age sixty (60) or older, have fifteen (15) years of continuous service, be in a specific job classification directly adversely affected, and must have filed a request to be considered at least fifteen (15) days in advance of the announcement of the indefinite reduction in force. To the extent such requests exceed the number of affected jobs in each classification, selection will be on the basis of seniority. Employees selected for a Special Voluntary Layoff Bonus must confirm their acceptance immediately following the Company's offer of the Special Voluntary Layoff Bonus. Employees accepting a Special Voluntary Layoff Bonus will receive a lump sum payment of \$10,000.00 in lieu of any other payment under this Article and will terminate service with the Company.

■ 5. *Notice, Bargaining and Information Requirements*

This Section sets forth the full obligations of the Company with regard to notice bargaining with and information to the Union concerning plant closing, work transfer, subcontracting and the installation of robots or automated manufacturing or office machines.

(a) Plant Closing

(1) Notice

The Company will give notice of its intent to close a manufacturing plant a minimum of six (6) months in advance of the plant closing date to the Union, the Local involved and

manufacturing plant a minimum of six (6) months in advance of the plant closing date to the Union, the Local involved and to employees concerned. Such notice will include identification of the plant to be closed, the Local involved and the date when terminations of represented employees because of the plant closing are expected to begin. Notice may be less than six (6) months when a plant closing results from the direct impact of a contract or program cancellation.

(2) *Bargaining*

If the Local requests decision bargaining within ten (10) working days following a Company notice of intent to close a manufacturing plant, service shop, or distribution center, the Company will be available to meet with the Local within five (5) working days of such request and the bargaining period shall continue for up to forty-five (45) calendar days from the date of the Company notice of intent to close the plant unless this period is extended by mutual agreement. The Company will make a decision whether or not to close the plant after this bargaining period.

(3) *Information*

If information is requested by the Local for bargaining provided for in Section 5(a)(2) of this Article, the Company will promptly make the following information available to the Local for such bargaining. This information will specifically include the express reason(s) for intending to close the plant and, where employment cost is a significant factor, the related wages, payroll allowances and employee benefits expenses of

represented employees at the plant intended to be closed. This information will be treated as confidential by the Local.

(b) Transfer of Ongoing Production Work

(1) Notice

The Company will give notice of its intent to transfer ongoing production work a minimum of six (6) months in advance of the effective date of the work transfer to the Local involved. Such notice will include identification of the work to be transferred, the expected decrease in the number of represented employees as a direct consequence of the transfer of work and the anticipated date of the transfer of work.

(2) Bargaining

If the Local requests decision bargaining within ten (10) working days following a Company notice of intent to transfer ongoing production work, the Company will be available to meet with the Local within five (5) working days of such request and the bargaining period shall continue for up to forty-five (45) calendar days from the date of the Company notice of intent to transfer the work unless the period is extended by mutual agreement. The Company will make a decision whether or not to transfer such work after this bargaining period.

(3) Information

If information is requested by the Local for bargaining provided for in Section 5(b)(2) of this Article, the Company

will promptly make the following information available to the Local for such bargaining. The information will specifically include the express reason(s) for intending to transfer the work and, where employment cost is a significant factor, comparative related wages, payroll allowances and employee benefits expenses of represented employees for the work intended to be transferred and of their counterparts who would be assigned the work. This information will be treated as confidential by the Local.

(c) Transfer of Nonproduction Work

(1) Notice

The Company will give notice of its intent to transfer nonproduction work, or subcontract nonproduction nontrades work at the same plant location if such subcontracting of work would directly cause a decrease in the number of represented employees performing such work, a minimum of sixty (60) calendar days in advance of the effective date of the work transfer or subcontracting to the Local involved. Such notice will include identification of the work to be transferred or subcontracted, the expected decrease in the number of represented employees as a direct consequence of the transfer of work or subcontracting and the anticipated date of the transfer of work or subcontracting.

(2) Bargaining

If the Local requests decision bargaining within ten (10) working days following a Company notice of intent to

subcontract or transfer nonproduction work, the Company will be available to meet with the Local within five (5) working days of such request and the bargaining period shall continue for up to forty-five (45) calendar days from the date of the Company notice of intent to subcontract or transfer the work unless this period is extended by mutual agreement. The Company will make a decision whether or not to subcontract or transfer such work after this bargaining period.

(3) *Information*

If information is requested by the Local for bargaining provided for in Section 5(c)(2) of this Article, the Company will promptly make the following information available to the Local for such bargaining. The information will specifically include the express reason(s) for intending to subcontract or transfer the work and, where employment cost is a significant factor, comparative related wages, payroll allowances and employee benefits expenses of represented employees for the work intended to be subcontracted or transferred and of their counterparts who would be assigned the work. This information will be treated as confidential by the Local.

(d) *Subcontracting of Trades Work at Plant Location*

(1) *Notice*

The Company will give notice to the Local of its intent to subcontract work other than ongoing production work, where the work will be done by a subcontractor at the same plant location or elsewhere, before finalization of the proposed action provided that the work is of a nature that is normally

performed by trades workers (maintenance, tool & die, and other similar classifications). Notice will not be required in emergency situations.

(2) *Bargaining*

If the Local requests bargaining concerning such subcontracting, the Company will promptly meet and discuss its plans with the Local. However, in no event will the Company be obligated to withhold the effectuation of the proposed subcontracting for more than twenty (20) working days from the date of the notification to the Local.

(3) *Information*

If information is requested by the Local for bargaining provided for in Section 5(d)(2) of this Article, the Company will promptly make the following information available to the Local for such bargaining. This information will specifically include the express reason(s) for intending to subcontract the work and, where employment cost is a significant factor comparative related wages, payroll allowances and employee benefits expenses of represented employees for the work intended to be subcontracted and of their counterparts who would be assigned the work. This bargaining information will be treated as confidential by the Local.

(e) Installation of Robots or Automated Manufacturing or Office Machines

With respect to the installation of robots or automated manufacturing or office machines, the Company will give a minimum of sixty (60) days' notice to the Local involved before the use of a robot or an automated manufacturing or

office machine in a work area. Such notice will include a description of the function of the device, identification of the work involved, the expected decrease in the number of represented employees as a direct consequence of the use of the device and the anticipated date of the use of the device.

■ 6. *Vested Rights Under Pension Plan*

The receipt of Income Extension Aid, Severance Pay, or a rate guarantee will not affect any rights the employee may have under the Vesting Provision of the Pension Plan.

■ 7. *Lump Sum Payments*

Service credits previously accumulated, continuity of service, and recall rights will be lost upon receipt by the employee of an Income Extension Aid payment in lump sum under Section 4(b)(1)(iii), special termination payments under this Article, or payment of Severance Pay under the Plant Closing Section 2. However, an employee eligible for such a payment, who is within one year of reaching optional retirement at age 60 under the Lockheed Martin Pension Plan for employees represented by IUE - CWA, shall retain such previously accumulated service credits and continuity of service until such employee reaches optional retirement age notwithstanding the receipt of such a payment unless the employee retires before electing optional retirement at age 60.

In the event of a subsequent rehire as a "new" employee within a period of time which does not exceed the length of prior service, service credits, and recall rights previously lost shall be restored provided repayment of the Income Extension Aid is made by the employee within a reasonable time after rehire. However, service credits, continuity of service, and

recall rights lost at termination upon receipt of payments under Plant Closing Section 2, shall be restored automatically without repayment in the event of subsequent rehire more than 6 months after such termination. An employee who having received payments under Plant Closing Section 2, is rehired 6 months or less after the employee's termination and who has made arrangements satisfactory to the Company providing for repayment shall, during such time as the employee is not in default of such arrangements and for the purpose only of layoff and recall, be deemed to possess the service credits, continuity of service, and recall rights to be restored to the employee upon full repayment.

■ 8. *Non-Duplication*

If any part of an employee's continuous service is used as the basis for an actual payment under any of the options of the Income Extension Aid or Severance Pay arrangement, that part of the employee's continuous service may not be used again for such purpose, either during that period of layoff or any subsequent period of layoff or plant closing, unless repayment has been made as provided in Section 7, above.

Where an indefinite reduction in force triggers eligibility for benefits under this Article, the designation of individuals who may exercise the benefits under this Article will be based on the integrated order of their seniority so that the number of employees electing benefits does not exceed the net number of positions eliminated.

Employees, eligible for a benefit under this Article either by designation or by election, may exercise only one severance or layoff benefit. Employees who have exercised

the Special Early Retirement Option under the Pension Plan shall have the Special Early Retirement Option Offset deducted from any severance or layoff benefit otherwise due under this Article.

■ 9. *Other*

The provisions of this article shall not be applicable where the Company decides to close a plant or lay off an employee because of the Company's inability to secure production, or carry on its operations, as a consequence of a strike, slowdown, or other interference with or interruption with work participated in by employees in a Company plant, service shop, or other facility. However, the operation of this section shall not affect the rights or benefits already provided hereunder to an employee laid off for lack of work prior to the commencement of any such strike, interference, or interruption.

■ 10. A grievance arising under this article may be processed in accordance with the grievance procedure set forth in Article XIII. However, no matter or controversy concerning the provisions of this article or the interpretation or application thereof shall be subject to arbitration under the provisions of Article XV hereof, except by mutual agreement.

ARTICLE XXIII

Military Pay Differential

An employee with 30 days or more of service credits attending annual encampments of or training duty in the Armed Forces, State or National Guard or U.S. Reserves shall be granted a military pay differential, computed as set forth below, for a period of up to 17 days of such military service, during each calendar year. The employee shall be granted service credits for such 17 day period or portion thereof during which he is absent. Such military pay differential shall be the amount by which the employee's normal straight time wages or salary, calculated on the basis of a workweek up to a maximum of 40 hours, which the employee has lost by virtue of such absence, exceeds any pay received for such absence from the Federal or State Government, recalculated to exclude the Government pay applicable to Saturdays and Sundays. Saturdays and Sundays shall be counted in computing the 17 day period. Such items as subsistence, rental, and travel allowance shall not be included in determining pay received from the Government.

An employee with 30 days or more of service credits who does not exhaust the 17 calendar day period during the calendar year for the employee's annual encampment or training duty and who is required during the same calendar year to attend a weekend period of training shall be granted a military pay differential provided that the 17 calendar day period of military service in the same calendar year is not exceeded. Such military pay differential shall be the amount by which the employee's normal straight time pay, calculated

on the basis of a nonpremium workday, up to a maximum of eight (8) hours, which the employee has lost by virtue of such absence, exceeds any pay received for such day or days of absence from the Federal or State Government, recalculated to exclude the Government pay applicable to Saturdays and Sundays. Saturdays and Sundays shall be counted for the purpose of determining the extent to which the 17 calendar days of military service have been utilized in the same manner as annual encampment or training duty.

An employee with 30 days or more of service credits, who is called out by the National Guard or the U.S. Reserves to perform temporary emergency duty (other than duty under an order by the President or Congress activating members or units of the Reserves or National Guard) due to a fire, flood, or domestic civil disturbance, or other such disaster will be paid a military pay differential calculated as described above, for the pay lost by reason of such emergency duty, for a period not to exceed four weeks in any calendar year and shall be granted service credits for such absence up to four weeks.

An employee who has less than 30 days of service credits may also be absent for the reasons and periods set forth above without deduction of service credits for such absence, but shall not be eligible for the military pay differential.

Employees will be permitted to take a vacation and attend a military encampment at separate times and be granted both a vacation pay allowance and a military pay differential. However, an employee may not receive a vacation pay allowance and a military pay differential for the same period. An employee may, however, receive a military pay differential

for the period, if any, by which the time spent in such encampment exceeds such vacation, but not exceeding the maximums specified above.

ARTICLE XXIV

Retraining Program

■ 1. Retraining Programs as appropriate for employees represented by each Local are subject to negotiations between the Local and local management. Any written agreements covering such Retraining Programs are subject to approval by the Union and the Company.

■ 2. No matter or controversy concerning the provisions of this article or any local retraining agreement shall be arbitrable except by mutual agreement.

ARTICLE XXV

Jury Duty

- 1. When an hourly-paid employee is called for service as a juror, they will continue to be paid their straight-time earnings, up to a limit of 8 hours per day and 40 hours per week.
- 2. When a salaried employee is called for service as a juror, they will continue to be paid their normal straight-time salary during the period of such service.
- 3. Similar makeup pay as specified in Sections 1 and 2 will be granted to an employee who loses time from work because of their appearance in court pursuant to proper subpoena, except when they are either a plaintiff, defendant, or other party to the court proceeding.

ARTICLE XXVI

Absence for Death in Family

An hourly paid employee with 30 days or more of service credits who is absent from work solely because of the death and funeral of his or her spouse, child, stepchild, foster child (if living in the employee's home), grandchild, son-in-law, daughter-in-law, parent, stepparent, grandparent, grandparent-in-law, brother, brother-in-law, sister, sister-in-law, mother-in-law, father-in-law, spouse's step parents, step brother, step sister, employee's great-grandparents and step parents-in-law will be compensated, on the basis of the employee's average straight-time earnings, for the time lost from the employee's regular schedule by reason of such absence, for three days for each such absence and up to eight hours per day. In the event of death of the employee's spouse, child, stepchild, foster child, mother, father, brother or sister, an additional two days absence (up to eight hours per day) shall be allowed.

ARTICLE XXVII

Sick and Personal Pay

■ 1(a). An hourly employee with one or more years of continuous service, absent because of (i) personal business, (ii) a temporary layoff, (iii) an observed holiday, or (iv) personal illness for which weekly disability benefits are not payable under the Lockheed Martin Insurance Plan, or under Workers' Compensation, will, with the Manager's approval, receive Sick and Personal Pay for each absence of one (1) hour increments or longer, up to the number of days applicable in accordance with the following schedule:

*Maximum Days/Hours of
Sick and Personal Pay for
Each Calendar Year*

Continuous Service

1 through 9 years.....	2 days (16 hours)
10 through 14 years.....	3 days (24 hours)
15 through 19 years.....	4 days (32 hours)
20 through 24 years...	5 days (40 hours)
25 years and over.....	6 days (48 hours)

Effective January 1, 2003

Sick and Personal Pay

■ (b). An hourly employee with one or more years of continuous service, absent because of (i) personal business, (ii) a temporary layoff, (iii) an observed holiday, or (iv) personal illness for which weekly disability benefits are not

payable under the Lockheed Martin Insurance Plan, or under Workers' Compensation, will, with the Manager's approval, receive Sick and Personal Pay for each absence of one (1) hour increments or longer, up to the number of days applicable in accordance with the following schedule:

<i>Continuous Service</i>	<i>Maximum Days/Hours of Sick and Personal Pay for Each Calendar Year</i>
1 through 9 years.....	4 days (32 hours)
10 through 14 years.....	5 days (40 hours)
15 and above.....	7 days (56 hours)

An employee may be paid Sick and Personal Pay for absence of one (1) hour or longer in which case the employee may be paid Sick and Personal Pay for the actual scheduled hours of work during which they were absent. In no event will the payment for hours absent exceed the number of hours in the employee's established regular daily schedule nor will it be in excess of eight hours daily.

An employee is expected to notify their Manager in advance of the absence whenever possible, in order that the Manager may have an opportunity to arrange for a replacement or to reschedule the work. Management approval, as provided herein, will not be unreasonably withheld. Sick and Personal Pay will be paid only for approved absences.

■ 2. *Accumulation of Sick and Personal Pay*

An employee who has any unused Sick and Personal Pay remaining at the end of a calendar year may elect during

November of each year to receive unused sick pay attributable to the current year paid as an allowance during the last pay period of the calendar year. Absent such election, an employee will accumulate such unused sick and personal pay, up to a maximum of thirty (30) days, and have such pay carried forward to the following calendar year for use in the event of approved absence.

■ 3. *Rate of Pay*

The rate of pay applicable to absences covered under this article will be current normal straight-time hourly earnings in effect when last at work prior to the absence, including night shift bonus for employees who are regularly scheduled on a night shift.

■ 4. *Maximum Hours*

(a) The maximum Sick and Personal Pay hours payable for any one day of approved absence will be the number of hours in the employee's established regular daily schedule in effect when last at work prior to the absence but not in excess of eight (8) hours.

(b) The maximum hours of Sick and Personal Pay payable to an employee in a calendar year will be calculated by multiplying the number of Sick and Personal Pay days based on the employee's continuous service by the number of hours in the employee's established regular daily schedule (up to a maximum daily rate of eight (8) hours).

In addition, any unused Sick and Personal Pay up to a maximum of thirty (30) days carried over from the preceding calendar year, will be available for payment of approved

absences. Such thirty (30) day maximum will be converted to hours on the basis of the employee's established regular daily schedule of work hours (up to a maximum daily rate of eight (8) hours) in effect at the end of such preceding calendar year.

When the hours of an employee's established regular daily schedule are changed during the course of a calendar year, the maximum Sick and Personal Pay hours payable to such employee for that calendar year will be adjusted by determining the proportion of the maximum Sick and Personal Pay hours used by the employee prior to such change, (based on the regular daily schedule of work hours in effect before the change) and then reducing by the same proportion the employee's revised maximum hours based on the regular daily schedule of work hours in effect after the change.

■ 5. *Sick and Personal Pay Allowance*

When an employee retires, dies or is terminated because of a plant closing or the sale of a business to a successor employer and the successor employer does not have a similar sick and/or personal pay benefit, the employee will receive an allowance in lieu of any unused sick and/or personal days. Similarly, an allowance in lieu of any unused sick and/or personal days will be paid in a lump sum to an employee upon breaking service due to being placed on a lack of work status.

ARTICLE XXVIII

Upgrading and Job Posting

■ 1. *Standard for filling open jobs and upgrading*

The Company will, to the extent practical, give first consideration for job openings and upgrading to present employees, when employees with the necessary qualifications are available. In upgrading employees to higher rated jobs, the Company will take into consideration as an important factor, the relative length of continuous service of the employees who it finds are qualified for such upgrading; provided, however, that in upgrading employees to job openings with job rates within the one-month progression schedule, as provided for in Article VI, Section 4(a)(4)(a) of this Agreement, the relative seniority of those employees found qualified for such upgrading shall be the controlling factor.

When filling a job opening by upgrading, a request for the open job by an employee in a different, equal rated job classification or a higher rated job classification shall be treated as though it were a request to be considered for a higher rated job classification if the job opening affords the employee with an immediate or future higher earnings opportunity; provided that the employee has not previously so transferred during the same calendar year.

■ 2. *Local Negotiations*

Because the product mix, organization complexity, and

other circumstances vary in the plant locations covered by this agreement and to improve the opportunity for upward mobility of all employees represented by the Union and to continue to assure an equal opportunity for such employees to express their interests in and be considered for upgrading to job openings without regard to race, color, sex, creed, marital status, age, or national origin, local management and the Local Union shall negotiate a written upgrading agreement for each of the locations listed in the Preamble. In order to implement the provisions of Section 1, above, it is the intent of the parties that such agreement would provide for advance notice of job openings which are to be filled by upgrading where practical. Such agreement shall be approved in accordance with Article XXI, Section 2, of this National Agreement and shall not alter any obligation or right not to fill an opening by upgrading nor shall it limit any right an employee or the Union may have under Article XIII, XIV, and XV of this National Agreement to protest a selection.

ARTICLE XXIX

Responsibility of the Parties

The parties recognize that, under this Agreement, each of them has responsibilities for the welfare and security of the employees:

(a) The Company recognizes that it is the responsibility of the Union to represent the employees effectively and fairly;

(b) Subject only to any limitations stated in this Agreement, or in any other agreement between the Company and the Union or a Local, the Union and the Locals recognize that the Company retains the exclusive right to manage its business, including (but not limited to) the right to determine the methods and means by which its operations are to be carried on, to direct the work force, and to conduct its operations in a safe and effective manner.

This article does not modify or limit the rights of the parties, or of the employees, under any other provisions of this Agreement or under any other agreement between the Company and the Union or the Locals, nor will it operate to deprive employees of any wage or other benefits to which they have been or will become entitled by virtue of an existing or future agreement between the Company and the Union or a Local.

ARTICLE XXX

Issues of General Application

This Agreement, the 2002 – 2006 Settlement Agreement, the 2002 – 2006 Wage Agreement, and the 2002 – 2006 Pension and Welfare Agreement between the parties are intended to be and shall be in full settlement of all issues which were the subject of collective bargaining between the parties in national level collective bargaining negotiations in 2002. Consequently, it is agreed that none of such issues shall be subject to collective bargaining during the term of this Agreement and there shall be no strike or lockout in connection with any such issue or issues; provided, however, that this provision shall not be construed to limit or modify the rights of the parties hereto under Article VI, Section 1, and Article XIV of this Agreement.

ARTICLE XXXI

Duration of Agreement

This National Agreement shall be effective as of July 1, 2002, between the Company, the Union, and each of the IUE - CWA Locals now certified as the representative of Company employees, as set forth in the Preamble to this Agreement, and shall continue in full force and effect to and including the July 30, 2006 and from year to year thereafter unless modified or terminated as hereinafter provided.

ARTICLE XXXII

Modification and Termination

(a) Either the Company or the Union may terminate this National Agreement by written notice to the other not more than ninety days and not less than sixty days prior to **July 30, 2006**, or prior to **July 30** of any subsequent year. Not more than 15 days following receipt of such notice, collective bargaining negotiations shall commence between the parties for the purpose of considering the terms of a new agreement, and a proposal for a revision of wages which may be submitted by either the Company or the Union.

(b) If either the Company or the Union desires to modify this National Agreement, it shall, not more than ninety days and not less than sixty days prior to **July 30, 2006**, or prior to **July 30** of any subsequent year, so notify the other in writing. Not more than 15 days following receipt of such notice, collective bargaining negotiations shall commence between the parties for the purpose of considering changes in this National Agreement, and a proposal for revision of wages which may be submitted by either the Company or the Union.

If settlement is not reached by **July 30, 2006**, or prior to **July 30** of any subsequent year, this National Agreement shall continue in full force and effect until the tenth day following written notice given by either the Company or the Union of its intention to terminate such Agreement, during which time there shall be no strike or lockout.

ARTICLE XXXIII

Notices

All notices given under the provisions of this Agreement shall be in writing and shall be sufficient if sent by mail addressed, if to the Union, to the IUE - CWA-LM Conference Board; 4165 Westport Road, Suite 203; Louisville, KY 40207 or to such other address the Union shall furnish the Company in writing; and if to the Company, to Lockheed Martin Electronics Sector, 6801 Rockledge Drive, Bethesda, MD 20817, or to such other address the Company shall furnish the Union in writing.

Dated: September 12, 2002
Washington, DC

IUE - CWA

LOCKHEED MARTIN

Arthur D. Smith
Norman J. Klein, Jr.
Robert Santamoor
Charles R. Smith
Vincent J. Vines
Joseph DiCarlo
Kirk J. Krug
Michael G. Labulis

Michael G. DelRossi
Robert D. Tucker
Leonard J. Yanazzo
Jack A. Litzinger
Richard L. Pottenger
Thomas F. Spair

2002 - 2006

Wage Agreement

APPENDIX A
2002 - 2006 WAGE AGREEMENT

The Company will provide wage and salary increases as follows:

■ 1. *Wages & Lump Sum Payments*

Effective Date

July 1, 2002	4.0% General Increase
July 1, 2002 (Signing Bonus)	\$1000 Lump Sum Payment
June 30, 2003	3.0% General Increase
June 28, 2004	3.0% General Increase
June 27, 2005	2.7% General Increase

■ 2. *Cost-of-Living Adjustments*

(a) Cost-of-Living Adjustments effective on the date shown below in the amount of one cent (\$.01) per hour for hourly employees and forty cents (\$.40) per week for salaried employees for each full one and one quarter tenths of one percent (0.125%) by which the National Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W; Base 1982-84 = 100), as published by the United States Bureau of Labor Statistics, increases in the applicable measurement period.

<i>Effective Date</i>	<i>Measurement Period</i>
December 30, 2002	June 2002 through October 2002
June 30, 2003	October 2002 through April 2003
December 29, 2003	October 2002 through October 2003*
June 28, 2004	October 2003 through April 2004
December 27, 2004	October 2003 through October 2004*
June 27, 2005	October 2004 through April 2005
December 26, 2005	October 2004 through October 2005*
April 24, 2006	October 2005 through February 2006

NOTE: The amounts stated for salaried employees throughout the Wage Agreement are based on normal workweek of 40 hours.

*While the measurement period for the Cost-of-Living Adjustment effective December includes the entire period from October through October, the adjustment shall be the difference between the full amount calculated for the period and the amount of the Cost-of-Living Adjustment paid effective in June.

(b) No adjustment, retroactive or otherwise, shall be made in pay or benefits as a result of any revision which later may be made in the published figures for the Index for any month on the basis of which the cost-of-living calculation shall have been determined.

(c) In the event that the Bureau of Labor Statistics issues a new or revised Index with either a conversion table, converted Index, or a conversion procedure by which the present formula can be made applicable to any change in said Index, the Union and the Company agree to accept such conversion method. If no such conversion method is provided by the BLS

following any revision of the Index, the parties will promptly undertake negotiations solely with respect to agreeing upon a substitute formula for determining a comparable cost-of-living adjustment, and failing agreement in such negotiations, the Union and the Locals shall, upon giving 10 days' written notice, have the right to strike solely with respect to such issue.

■ 3. The wage and salary increases described in 1 and 2 above shall constitute the amount by which each hourly daywork rate or weekly salary rate shall be increased on the effective date specified in the amount and manner described.1

■ 4. The pay increases herein provided shall be applicable to all employees (both hourly paid and salaried) in bargaining units certified to the IUE - CWA (AFL-CIO) or its affiliate IUE - CWA (AFL-CIO) Locals as of July 1, 2002, which, as of that date, are listed in the Preamble of the 2002-2006 Lockheed Martin IUE - CWA National Agreement.

Employees in any bargaining unit for whom the IUE - CWA (AFL-CIO) or any of its Locals shall be certified as the collective bargaining representative after the effective date of this Agreement shall receive pay increases provided for by Sections 1, 2, and 3 of this Wage Agreement but only insofar as such increases shall, by terms of said sections, become effective after the date of such certification.

1 Employees hired on progression after June 26, 1991, under the provisions of Article VI, Section 6, will have their paid progression rates adjusted to maintain the same percentage of the new job rate.

The Provisions of the Wage Agreement shall continue in full force and effect between the parties hereto, to and including July 30, 2006.

IN WITNESS WHEREOF the parties have caused their names to be subscribed to this Agreement by their duly authorized representatives this 12th day of September, 2002.

Washington, DC

IUE - CWA

Arthur D. Smith
Norman J. Klein, Jr.
Robert Santamoor
Charles R. Smith
Vincent J. Vines
Joseph DiCarlo
Kirk J. Krug
Michael G. Labulis

LOCKHEED MARTIN

Michael G. DelRossi
Robert D. Tucker
Leonard J. Yanazzo
Jack A. Litzinger
Richard L. Pottenger
Thomas F. Spair

APPENDIX B

MEMORANDUM OF UNDERSTANDING REGARDING CHECK OFF TO IUE COPE

1. *Contributions to IUE - CWA COPE*

The Company agrees to deduct from the pay of each employee voluntary contributions to IUE - CWA COPE provided that each such employee executes or has executed the following "Authorization for Assignment and Check-Off of Contributions to IUE - CWA COPE" form; provided further, however, that the Company will continue to deduct the voluntary contributions to IUE - CWA COPE from the pay of each employee for whom it has on file an unrevoked "Authorization for Assignment and Check-off of Contributions to IUE - CWA COPE" form.

Deductions shall be made only in accordance with the provisions of and in the amounts designated in said "Authorization for Assignment and Check-Off of Voluntary Contributions to IUE - CWA COPE" form.

A properly executed copy of "Authorization of Assignment and Check-Off of Contributions to IUE - CWA COPE" form for each employee for whom voluntary contributions to IUE - CWA COPE are to be deducted hereunder, shall be delivered to the Company before any such deductions are made, except as to employees whose authorizations have heretofore been delivered. Deductions shall be made hereafter, only under the applicable "Authorization for Assignment and Check-Off of Contributions to IUE - CWA COPE" forms which have been properly executed and are in affect.

Deductions shall be made, pursuant to the forms received by the company, from the employee's third pay received in each and every month that the authorization remains in effect.

■ 2. *Termination of Company Obligations*

The Company's obligation to make such deductions shall terminate automatically upon the termination of the employee who signs the authorization, upon written request, or upon his transfer to a Unit not covered by this Agreement.

■ 3. *Remittance to the Union*

a. The Company agrees to remit within thirty (30) days after said deductions, the following:

1. The total amount of COPE contributions deducted;
 2. The names, employee social security numbers and amounts from whose wages such deductions have been made
- b. The Company shall, at the same time remit to the Union its check for the amount shown under item (1) above, care of the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers IUE,- CWA (AFL-CIO).

■ 4. *Authorization Form for Deductions*

**AUTHORIZATION FOR ASSIGNMENT AND CHECK-OFF
OF CONTRIBUTIONS TO IUE - CWA COPE**

To Lockheed Martin:

I hereby assign to IUE - CWA COPE, from any wages earned or to be earned by me as your employee, the sum of: (check one)

\$1.00 \$2.50 \$5.00 Other \$ _____

each and every month. I hereby authorize and direct you to deduct such amounts from my pay and to remit same to IUE - CWA COPE at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect.

This authorization is voluntarily made. I understand that the signing of this authorization and the making of payments to IUE - CWA COPE are not conditions of membership in the Union or of employment with the Company, that I have the right to refuse to sign this authorization and contribute to IUE - CWA COPE without any reprisal, and that IUE - CWA COPE will use the money it receives to make political contributions and expenditures in connection with federal, state and local elections.

Name (print) _____ Date _____

Address _____

Social Security Number _____

City _____

State _____ Zip _____

Signature _____

IN WITNESS WHEREOF, the parties have executed this Agreement the 12th day of September, 2002.

INTERNATIONAL UNION OF ELECTROINIC,
ELECTRICAL, SALARIED, MACHINE AND FURNITURE
WORKERS (AFL-CIO) LOCKHEED MARTIN

By:

Arthur D. Smith

Chairman,

IUE-CWA-Lockheed Martin Conference Board

Michael G. DelRossi

Vice President - Human Resource and

Chief Company Spokesperson

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2002

January

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2003

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S	M	T	W	T	F	S
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5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

2004

January

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29						

March

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June

S	M	T	W	T	F	S
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October

S	M	T	W	T	F	S
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

2005

January

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

March

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October

S	M	T	W	T	F	S
					1	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

2006

January

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

S	M	T	W	T	F	S
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
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May

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July

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						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
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September

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					1	2
3	4	5	6	7	8	9
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17	18	19	20	21	22	23
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October

S	M	T	W	T	F	S
1	2	3	4	5	6	7
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15	16	17	18	19	20	21
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29	30	31				

November

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December

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					1	2
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